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MANAGERIAL VALUES AND EXPECTATIONS

The Silent Power in Personal and Organizational Life

Warren H. Schmidt
Barry Z. Posner

An AMA Survey Report

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CONTENTS

	Highlights and Conclusions	9
1.	Values: The Silent Power	12
2.	How Managers View the Future	21
3.	Managers' Personal and Organizational Values	30
4.	How Managers View Their Associates at Work	40
5.	How Managers Balance Their Life Roles and Responsibilities	45
6.	The American Manager: Myth and Reality	52
	References	57

EXHIBITS

1.1	Glossary of terms	14
1.2	Influence among value systems	15
1.3	Graves' "levels of psychological existence" explained in organizational terms	16
1.4	People and events that have influenced the formation of values	17
1.5	Demographics of survey respondents	19
2.1	Managers' views of trends	23
2.2	Do you expect to fulfill your life's ambition?	25
2.3	Managers' view of their power to influence trends	25
2.4	Improvement of the quality of life	27
3.1	Personal qualities that are generally admired in the workplace	32
3.2	Clarity of managers' values	33
3.3	How well managers feel they understand the values of others in the organization	34
3.4	The importance of various organizational goals	36
3.5	Important organizational goals as managerial values	37
3.6	Concern about values	38
4.1	Qualities that managers look for in peers, superiors, and subordinates	42
5.1	Balancing opportunities and responsibilities: home versus career	46
5.2	Balancing opportunities and responsibilities: willingness to relocate	48
5.3	Balancing opportunities and responsibilities: career versus life style	49
5.4	Source of most satisfaction in life	50
5.5	Source of most satisfaction in life: male and female managers	51
6.1	Value-driven influences on a manager's leadership effectiveness	55

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This study was deeply satisfying for us, largely because of the superb professional support of our AMA colleagues who managed so skillfully the myriad details involved in a national survey of this kind. We are particularly indebted to Don Bohl, who took a personal interest in this project and kept it on course through all its phases. His associates, Helen Aker and Julie Bohl, classified and coded our open-ended questions with great sensitivity and care.

HIGHLIGHTS and CONCLUSIONS

Most American managers feel that improvement in the quality of life in our country depends on a return to basic values emphasizing individual initiative and personal responsibility. This choice, selected out of five such keys to a better future by over 60 percent of the 1,460 managers surveyed, suggests that a belief in individualism is still very much a part of our work ethic.

And at the same time, this vote for basic values implies that intangible concepts–integrity, competence, commitment, and the like–have a great deal of substance among the members of the business community. The respondents may be ready to put their money into new technology, but they're clearly putting their faith in initiative and responsibility, driving forces that will make the technology pay off.

Moreover, the respondents seem to be standing on the threshold of a remarkable agreement about the values and priorities that matter most in the decision-making process. The most striking feature of the data is the similarity of value profiles across all age groups, levels of management, and industrial sectors.

Designed to bring such values and priorities into sharper focus, the survey questionnaire asked respondents to rate the importance (to themselves, personally) of various groups of people, personality traits, and organizational goals. Also, participants agreed or disagreed with statements focused on values that lie at the heart of decisions and interpersonal relationships in the workplace.

A picture of what American managers consider most important emerges clearly from the data. And that picture presents a compelling argument for a second look at many of our commonly held notions about how a "typical" manager thinks and acts. The findings challenge many assumptions about the value managers place on profit maximization, stockholders, service to the public, and on personal traits, such as ambition. Furthermore, the data flatly contradict all stereotypical notions about how women managers differ from their male counterparts.

Here, by way of preview, is a summation of some of the more important results:

- Managers' optimism about the future varies according to how much control they feel they have. For example, an impressive 85 percent responded "optimistic" when asked how they felt about their personal future. In contrast, when asked how they felt about economic trends and social and political trends in general, only 36 percent and 29 percent, respectively, replied "optimistic."

- Although concerned about current trends, the respondents by no means feel that these trends are out of control. Sixty-two percent believe that the future is "open to influence by determined individuals, groups, or organizations."
- Asked to pick one statement as the basis for improvement in the quality of life in our country, 61 percent chose "a return to basic values." Twelve percent selected "strong, creative, and effective political leadership," and 7 percent opted for "technological advances." Nineteen percent selected "a value system emphasizing cooperation and the improvement of the total human community." Support for this last statement, however, was much stronger among members of nonprofit service organizations and managers in government agencies, as well as female managers and those with higher education.
- Effectiveness, high productivity, leadership, and high morale surface as the top priorities behind decisions affecting the organization. Past research in the area of values has revealed the American manager as the pragmatist of the world management community, a person who values profit, productivity, and efficiency far more than his or her European or Eastern counterparts. Compared with prior surveys, this survey shows that high morale now claims far greater weight than in the past and that profit carries less.
- People work better together if they share similar values. The two personal qualities that most respondents value highly are *responsibility* and *honesty*. This across-the-board agreement (88 percent picked these traits) indicates that the foundation for effective, cooperative working relationships clearly exists.
- When asked to list the qualities they admired most in subordinates, colleagues, and superiors, the majority of respondents—again, regardless of their own level—cited *integrity* and *competence* as the most important.
- Sixty-nine percent of the respondents are confident that they understand the values of their subordinates, colleagues, and superiors. The greatest uncertainty was registered by supervisory managers—especially in relation to their superiors. This indicates a need for better communication between middle management and the ranks below.
- Often, the importance we assign to various individuals and groups (subordinates, colleagues, stockholders, the boss) influences the way we manage. Which person or group associated with the workplace is considered most important? "Myself," say supervisory and middle managers, those under 40, and those with a college education. This is a definite shift in attitude from that prevalent 25 years ago (as measured in a similar survey conducted at that time). Organizations will do well to heed this advance of the "me generation"—which has affected older managers as well as younger ones.
- In general, managers' priorities seem to be shifting from career to private life. No longer are they automatically willing to forgo an important home function for one at the office. Nor are they as willing as in the past to relocate or accept a position that might entail a significant change of life style. In general, executives are most likely to favor the career or the organization over personal concerns; supervisory managers are least likely.
- Female managers are more career oriented than their male counterparts.* For example, when asked to indicate the source of most satisfaction—career, home or other interests—60 percent of the women chose

*The term *counterparts* is used literally here. All comparisons between male and female managers are based on a carefully matched sample, with extraneous factors (differences in age, rank, and education) sorted out. This is explained more fully in Chapter 1.

career, compared with 37 percent of the men. Moreover, the women tend to place greater emphasis on the practical matters: productivity and profit, for example.

Over all, the portrait provided by the data is positive and optimistic. True, many of the respondents indicated concern about political, social, and economic trends. But they have a great deal of faith in themselves and their organizations. One dominant trait—a kind of unifying thread—seems to be an admirable professionalism. This is expressed in the high value assigned to such traits as responsibility, integrity, and competence; in the top-priority ratings given to productivity, morale, and effectiveness; and in an unwillingness to compromise ethical standards in the face of adverse conditions.

A LOOK AHEAD

The four-page questionnaire—over 50 major questions (many with multiple parts)—provided information on a wide range of experiences and issues. Indeed, the 1,460 managers who participated in the survey taught us a lot: much more than we could report in these pages. The present report covers those issues related directly to values and expectations. A subsequent report (to be published early in 1983) turns to other, related concerns. (The closing chapter of this report presents a preview.)

Let's start by putting the matter of value research into perspective. The next chapter discusses assumptions on which value research is based, clarifies basic terminology, and highlights other efforts at such research conducted during the past several decades. Subsequent chapters provide a detailed analysis and commentary on the highlights and conclusions presented here, and the closing chapter suggests how surveys such as this can lead to a firmer understanding of ourselves and our colleagues—and how this understanding can become a key to more effective leadership.

A Personal Word from the Authors

This study deepened our appreciation for the men and women who manage America's enterprises at this critical time in our history. As we read their responses, we were impressed with the confidence and thoughtfulness reflected in their feelings and preferences, their expectations and hopes. We came away with the strong feeling that these are people of good sense and responsibility who believe that they can make things happen. We are grateful to those busy organizational leaders who took the time to respond to our lengthy questionnaire. (And we were pleased that some of them noted that they had found the experience to be personally rewarding.)

We have tried to represent the views of these managers as accurately and clearly as we can. We are keenly aware of the fact that we are only reporting the highlights—leaving many intriguing analyses for later publications. Throughout the study we quote other researchers and authors. Their names and publications are listed in the Appendix.

1

VALUES: THE SILENT POWER

Many great executives I have known have something deep inside that supports them; something they trust when the going gets tough; something ultimate; something personal; something beyond reason—in short, a deep-rooted skyhook which brings them calm and confidence when they stand alone.

—O.A. Ohmann, author of "Skyhooks"

The stereotype of the American executive is a person (usually a man) who is a "tough-minded, objective" problem solver—a person who has the guts to make unpopular decisions when the facts require such action. The good executive (so goes the stereotype) keeps personal considerations, feelings, and sentiments out of corporate plans and actions.

Overlooked in this description is the fact that executives are also driven at the deepest level by their values—values that determine which facts are examined with care and which are passed over lightly; which options for action are looked upon with favor from the start and which are rejected out of hand.

Because values are such a powerful (though often silent) force in organizational life, the American Management Associations undertook the study reported in these pages. The direction and vitality of corporate America and its managers cannot be fully understood without knowing more about the values and visions of the men and women who manage it. This study is about those values and visions—and some of their implications.

VALUES AND THE MANAGER

Our values are at the core of our personality. They influence the choices we make, the people we trust, the appeals we respond to, and the way we invest our time and energy. In turbulent times they can give a sense of direction amid conflicting views and demands.

Some of the most critical decisions a manager makes involve personal values—how much emphasis to place on the immediate interests of the customer or the long-term interests of the company, how to apportion time between family and organizational responsibilities, what behavior to reward or discourage.

Managers depend for their effectiveness on their ability to influence others (one of the basic management mottos is "getting things done through other people"). Understanding the values of subordinates is therefore a key piece of intelligence for the manager. Many executives

First, a value is *not* an opinion or attitude toward an object, place, or thing; opinions are topical and attitudes are predispositions toward something specific. Humans have thousands of opinions and attitudes. Attitudes are situation-bound. Someone, for example, may express a strong opinion against nudity on the beach. The value, in this case, may be modesty—which applies to many situations.

Values are more pervasive and fewer in number. They do not differ from attitudes in quality, but in depth. They are more enduring and central in a person's beliefs, thoughts, and feelings. They influence judgments and choices about persons, and things.

Second, a value is not an absolute—something set down in natural law. A value, rather, is culturally imposed. It is a human conception of what is personally good or bad. It is an individual or mutually agreed upon characteristic of what is desirable in the process of influencing action. Nor are values identical to ethics. Ethics is the study of right or wrong, often a part of a moral and religious doctrine. Values are not doctrines, but they do have a moral dimension.

Third, a value is not an idealized state, but rather what is preferred. A value is an enduring belief that a certain mode of conduct or end state of existence is preferable to an opposite conduct or state of being.

Fourth, a value is not an action. Generally, we can infer what a person's values are from his or her actions. But actions on certain occasions may have diverse motivations, or may be performed reluctantly, rather than as a result of a particularly preferred value. Values are those deep preferences that may generate and anticipate volitional action.

Mark Mindell and William Gorden, *Employee Values in a Changing Society* (New York: AMACOM, 1981).

have come to believe that a solid understanding of human values is imperative in obtaining the commitment and productivity of organizational members at all levels.

The AMA undertook this survey to help managers—and particularly key executives—to increase their understanding of values and to see their own values in clearer perspective. By reviewing how others in management roles approach the same issue or dilemma, we sharpen our awareness of the beliefs we ourselves hold about what is right or wrong, good or bad, normal or abnormal. We may also be stimulated to reexamine some choices and assumptions that have become habitual. Although values are often deeply rooted in our personality, they are also open to influence by others and by our experience.

We begin with some definitions and a bit of history.

WHAT ARE VALUES?

Our values comprise the things that are most important to us. They are deep-seated, pervasive standards that influence almost every aspect of our lives—from the books we read to our religious beliefs.

Values are so deep-seated, in fact, that we never actually "see" values themselves. What we "see" are the ways through which our values manifest themselves: in opinions, attitudes, preferences, desires, fears, and so on. Each of these is a specific category in which values are reflected, but none is a value itself. For example, an individual may have a strong *opinion* against nudity on the beach; the *value* at work here is modesty, which might also be the basis for other opinions that individual holds. In short, values are *general*; opinions, preferences, fears, and the like are *specific*. A short glossary of terms that have been used (and confused) with values is presented in Exhibit 1.1.

Because values so strongly influence our actions, they are critically important in understanding human behavior. What might appear to be strange

behavior in a member of another race or religion may be understandable and even appreciated if we understand his or her value system. Similarly, workers' problems might be more effectively dealt with if labor and management had a better understanding of each other's values.

Values can be personal, professional (for example, managerial), organizational, or societal. Although they are interrelated, the influence among them is varied. (See Exhibit 1.2). For example, the individual values of one manager or employee have little impact on a company's values, but the company's values may have considerable impact on the manager or employee. There is one important exception to this: The values of key executives, especially CEOs, can have a very powerful influence on an entire organization. Julien R. Phillips and Allan A. Kennedy wrote in the December 1980 *McKinsey Staff Paper*:

> When the chief executive's statements and his actions remain consistent with the established values of the company, people remain oriented to those values. When the pattern of his actions begins to diverge from those values, people become confused, their own focus dissolves, and the drive born of the sense of shared values may simply evaporate.

Values provide the foundation for the purpose and goals of an enterprise. They silently give direction to the hundreds of decisions made at all levels of the organization every day. Options that run counter to the company's value system are never even considered.

The heart of organizational culture, values have a powerful influence on an organization's climate. Although there is no complete agreement

Exhibit 1.1. Glossary of Terms

Attitude	- a relatively enduring organization of beliefs around an object or situation predisposing one to respond in some preferential manner.
Behavior	- action/s resulting from motivation ranging from a single act (voting) to a whole set of acts (pursuit of a certain occupation).
Belief	- an inference made by an observer about underlying states of expectancy.
Ethics	- the study of right and wrong, usually including the determining and encouraging of what is right.
Ideology	- an organization of beliefs and attitudes—religious, political, or philosophical in nature—that is more or less institutionalized or shared with others, deriving from external authority.
Opinion	- a verbal expression of some belief, attitude, or value, insufficient to produce certainty.
Philosophy	- the study or science of the truths or principles underlying all knowledge and being (or reality) (similar to the total value system).
Value	- a belief upon which a person acts by preference; an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence.
Value System	- an enduring organization of beliefs concerning preferable modes of conduct or end-states of existence along a continuum of relative importance.

Source: Martha Brown. "Values—A Necessary But Neglected Ingredient of Motivation," *Academy of Management Review*. Vol. 1. (1976).

on precisely what makes an organization successful, every scholar we know would agree that its value system is a major component of success or failure.

The most difficult conflicts to deal with, both in organizations and between individuals, are conflicts over basic values. It is relatively easy to manage different perceptions of a problem or different proposed courses of action—but when the difference is over a basic value, egos are more likely to become involved and defensiveness may cloud people's judgment. Then more energy goes into proving a point, assigning blame, or criticizing colleagues who differ than into seeking a synergistic solution.

THE LEGACY OF OTHER VALUE STUDIES

Because values are such an important dimension of human experience, they have been studied by scholars from many disciplines—philosophers and anthropologists, as well as sociologists and psychologists. We've chosen to mention here a few researchers whose theories are particularly relevant to the study of managerial and organizational values.

• **Milton Rokeach** has divided values into two distinct types. *Terminal values* are goals an individual deems worth pursuing. *Instrumental values* are the kinds of behavior an individual believes are desirable. For example, a "comfortable life" is a terminal value; to be "ambitious" is an instrumental value.

Rokeach concluded that "values are determinants of virtually all kinds of behavior that could be called social behavior—of social action, attitudes and ideology, evaluations, moral judgments and justifications of self and others, comparisons of self with others, presentations of self to others, and attempts to influence others."

Exhibit 1.2. Influence among value systems.

Source: Brown, op cit.

• **Clare Graves** proposed that people evolve through consecutive levels of "psychological existence" that reflect their personal values and life styles. Relatively independent of age and intelligence, an individual's level of psychological existence can become stable at a given plateau or can move upward or downward—depending on that person's cultural programming and perceptions of environmental opportunities and constraints.

• **Vincent Flowers, Charles Hughes, Scott Myers, and Susan Myers** believe that Graves' theory provides a very useful framework for explaining many organizational and interpersonal problems. (In fact, they've gone on to describe Graves' levels of psychological existence in organizational terms, see Exhibit 1.3.)

These authors have concluded from their research on managers that mismatched values cause a great deal of dissatisfaction with both

Exhibit 1.3. Graves' "levels of psychological existence" explained in organizational terms.

7	EXISTENTIAL. This employee likes a job where the goals and problems are more important than the money or the prestige associated with the position. He prefers work of his own choosing that offers continuing challenge and requires imagination and initiative. To him, a good boss is one who gives him access to the information he needs and lets him do the job in his own way.
6	SOCIOCENTRIC. A job which allows the development of friendly relationships with people in his work group appeals to this employee. Working with people toward a common goal is more important than getting caught up in a materialistic rat race. He likes a boss who fosters close harmony by being more a friendly person than a boss.
5	MANIPULATIVE. The preferred job for this employee is varied, allows free wheeling and dealing, and offers pay bonuses on the basis of results. He feels responsible for his own success and is constantly on the lookout for new opportunities. A good boss for this employee understands the politics of getting the job done, knows how to bargain, and is firm but fair.
4	CONFORMIST. This employee likes job security, well-defined rules, and equal treatment. He feels entitled to some good breaks in exchange for his loyalty. His mode of dress and subservience to protocol cause him to blend with the masses and lack individuality.
3	EGOCENTRIC. The two major requirements of a job for this employee are that it pay well and that it keep people off his back. He shuns work that ties him down, but will do it if he must to get the money he wants. Because of his raw, rugged value system, he needs a boss who is tough but allows him to be tough too.
2	TRIBALISTIC. This employee is best suited to routine work, friendly people, fair play, and above all a good boss. He likes a boss who tells him exactly what to do and how to do it, and who encourages him by doing it with him. An employee at this level may realize he doesn't have the best job in the world, but feels he does as well as others with jobs like his.
1	REACTIVE. This level of psychological development is restricted primarily to infants, people with serious brain deterioration, and certain psychopathic conditions. For practical purposes, employees are not ordinarily found at Level 1.

job content and supervisory styles. They believe that it is critical for managers to examine the values of those around them and to design organizational systems and procedures compatible with employee values. Indeed, other studies have shown that employees at all levels evaluate the type of work they do, the rules imposed by the organization, and career advancement opportunities *in terms of their value systems.*

• **Morris Massey** describes the powerful process of "modeling" (that is, modeling behavior after that of someone important to you) in establishing values and personality. He states that "the hero models in our lives (when we are about 10 years old) are very critical people. They are the people we try to behave like, the people we want to be like when we become adults." It is during this period that we acquire a "dominant value direction" that complements our basic personality. Massey also contends that dramatic changes in our "gut-level value system" occur only as the result of "significant emotional events" that challenge and disrupt our normal behavior patterns and beliefs. Some examples of such events—as well as hero models— are shown in Exhibit 1.4.

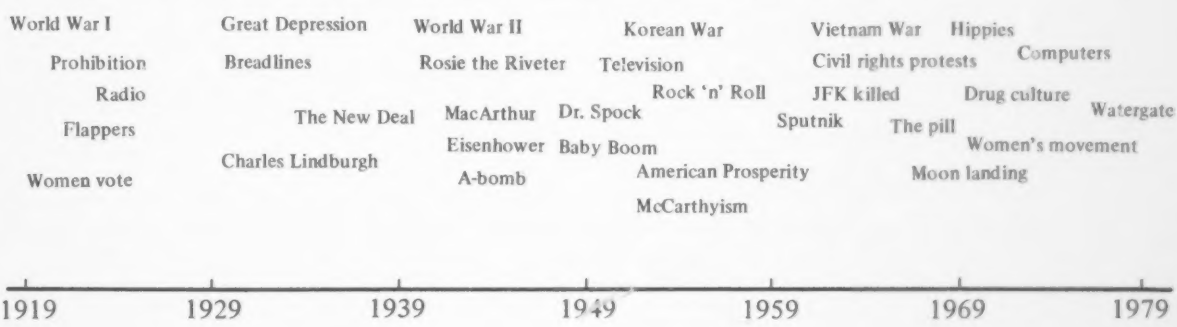
Massey insists that since different generations have been "value programmed" at different times (and therefore have different heroes) the "*generation gap*" is a reality that managers must accept and cope with. He urges that "the focus should not be so much on how to change other people to conform to our standards, our values. Rather, we must learn to understand other people in their own right, acknowledging the validity of their values and behavior. . . . All—or most—of our problems in communication, motivation, and interaction will diminish through such simple respect and understanding."

• **George England** has provided the most exhaustive account of the impact of the individual manager's values on work-related behavior. But before we present some of his conclusions, let's take a brief look at the theories on which he bases them.

England states that a person's values fall into four categories, depending on how likely they are to influence his or her behavior. If a particular value is *nonrelevant* or *weak*, it isn't at all likely to influence behavior. An *adopted* value, on the other hand, is a little more likely to come into play—but usually only as a result of specific situations, not on a daily basis. *Intended* values are those that a person considers important, but is only moderately likely to take into consideration when deciding on a course of action. *Operative* values are the important ones—the ones most likely to determine a person's decisions and actions—and it is these we're mainly concerned with here.

In addition to this breakdown, England defines three basic personality types that determine what a person's value system will be like—which

Exhibit 1.4. People and events that have influenced the formation of values.



values will be operative, which will be intended, and so on. The first is the *pragmatic* type. These people are very success oriented, and their values reflect this. People whose personality type is *ethical-moral* are primarily concerned with the rightness or wrongness of a given course of action. Finally, people with *affect of feeling* personalities are motivated by feelings and emotions. They're interested in taking the course of action that will be most pleasurable for them.

Armed with these theories, England has conducted a large number of research studies that have yielded many interesting conclusions:

1. Personal value systems of managers can be measured even though they are complex in nature.
2. There is a general value pattern characteristic of American managers. Indeed, personal value systems of managers as a group seem relatively stable and do not change rapidly.
3. Personal values affect corporate strategy and goals as well as day-to-day decisions.
4. The personal value systems of individual managers influence the organization (both directly and indirectly), and at the same time are themselves influenced by organizational life.
5. Managers' personal value systems have a direct relation to their career success.
6. Differences in personal value systems help to explain the nature of conflict between individuals in an organization.
7. There is an impressive similarity in the value patterns of managers in countries of very diverse social, cultural, and technological backgrounds (for example, the United States, Japan, Korea, India, and Australia).
8. The study and thoughtful examination of one's own personal value system is helpful in the effort to find consistency between what we believe and what we do.

The study reported in the following pages builds on the work of the colleagues cited above. We have, for example, included a number of questions in our survey that were first asked by George England in 1969 and 1976 in order to capture any change or trend in managerial values. We also asked the managers in this survey to prioritize the instrumental values developed by Milton Rokeach. In a similar way, we used data from a 1980 study of European managers by Jules Arbose to put some of our American managers' points of view into perspective.

THE FACTS

Our study began with a mailing of 6,000 questionnaires to a stratified sample of AMA members: 2,400 to top executives, 2,400 to middle managers, and 1,200 to supervisory managers. By the cut-off date we had received 1,498 responses. This response rate of 25 percent is considered to be more than acceptable by traditional research standards and is consistent with response rates for other AMA surveys.

In the total sample, 889 respondents (59 percent) were executive managers, 423 (28 percent) middle managers, and 148 (10 percent) supervisory managers. The remaining 37 respondents were nonmanagerial professionals and were excluded from the analyses in this report. The average age of all respondents was 44.6 years. Supervisory managers averaged 40, middle managers 42, and executives 46.5. Over all, almost 40 percent of the sample were 40 years or under, 33 percent were 41-50, and 27 percent were 51 years or older. (Complete demographic information about the respondents is shown in Exhibit 1.5.)

The educational characteristics of the sample were as follows: 84 percent were college graduates, 13 percent completed some college, and 3 percent were high school graduates. Of the col-

Exhibit 1.5. Demographics of survey respondents (percentages).

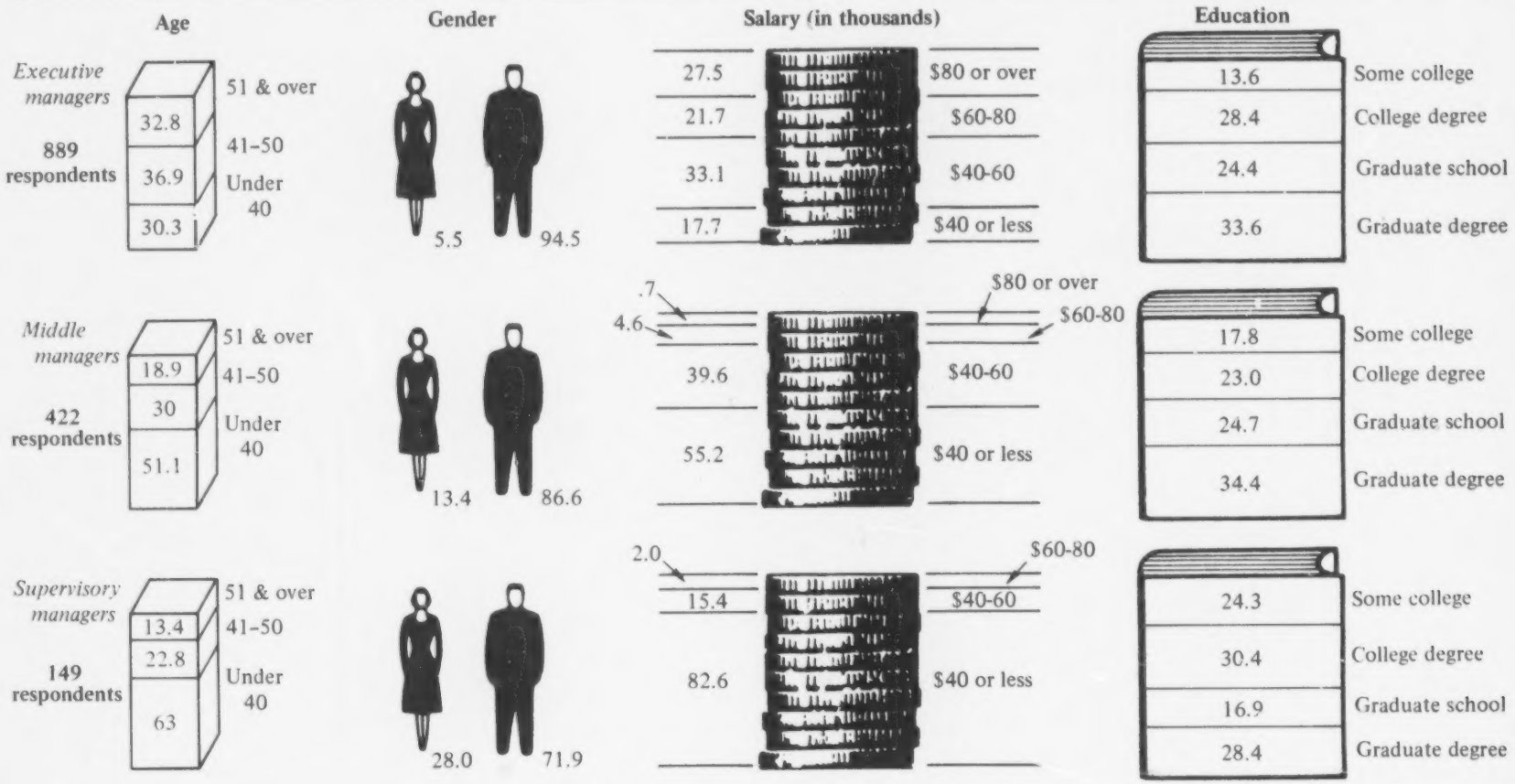
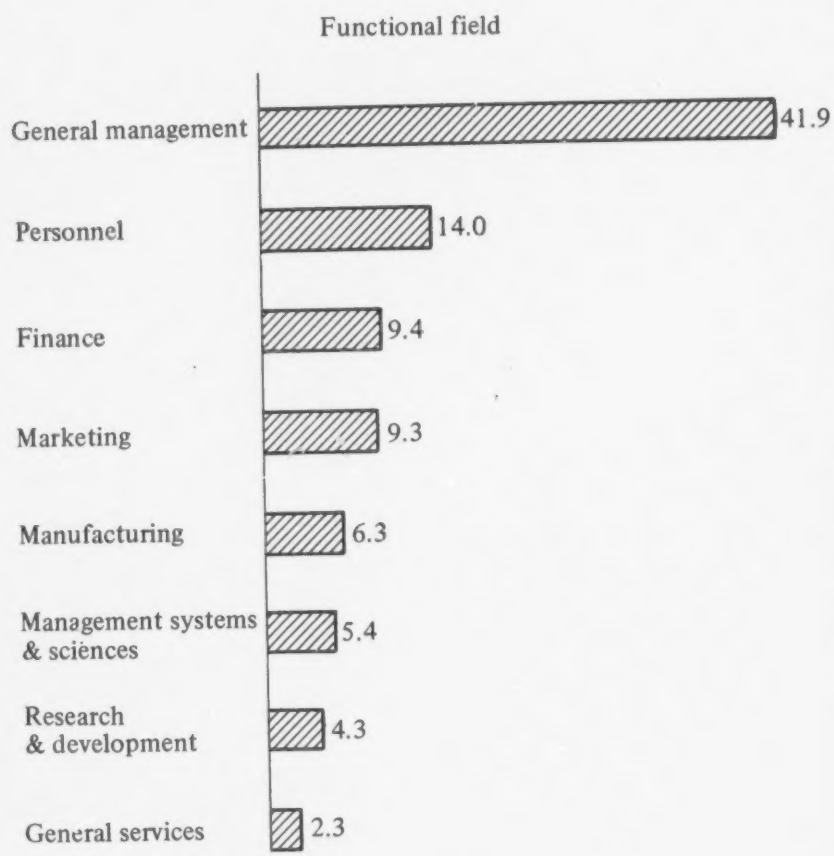


Exhibit 1.5 continued



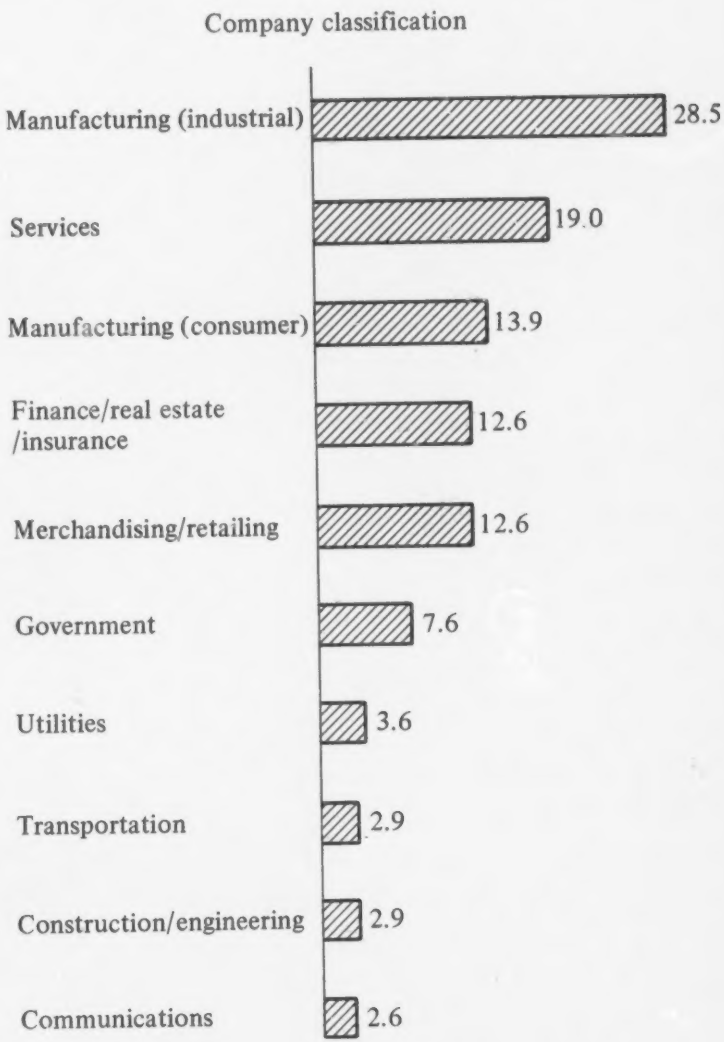
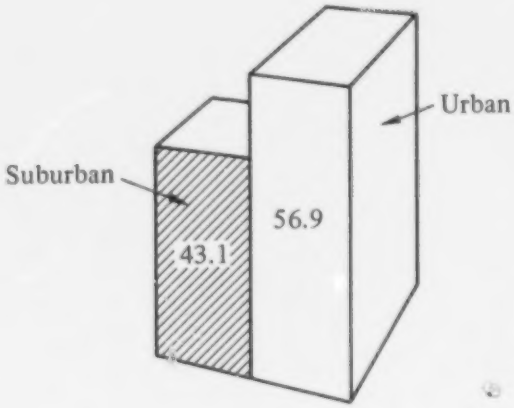
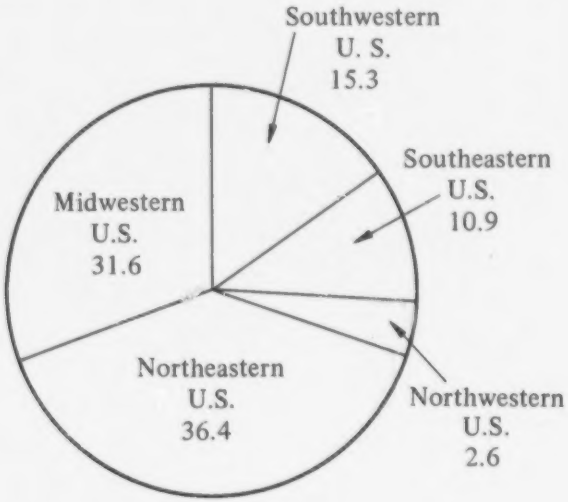


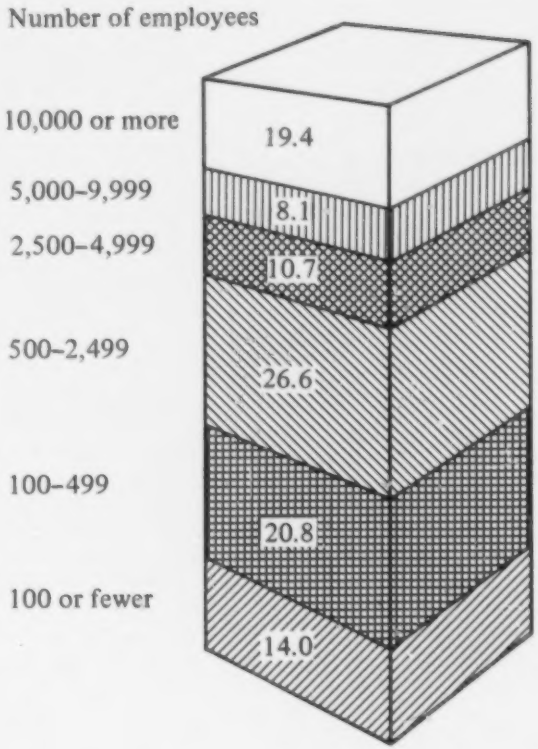
Exhibit 1.5 continued

Geographic location





Company size



lege graduates, 33 percent held a graduate degree and 24 percent completed some graduate work.

Respondents' salary levels predictably increased with their position in the organizational hierarchy, their level of education, the size of their company, and their age. Approximately one-third of the sample earned up to $40,000, and another third were in the $40,000 to $60,000 bracket. Just under 15 percent earned between $60,000 and $80,000, and about 17 percent earned more than $80,000 per year. The average salary of all respondents was $53,817.

Our respondents also gave us information about their company's size and geographical location, its product or service, and their functional field: personnel, marketing, R&D, and so on. Fourteen percent were employed in organizations with 100 or fewer employees, 20.8 percent in organizations of 100 to 499 employees, 26.6 percent in organizations of 500 to 2,499 employees, 10.7 percent in organizations of 2,500 to 4,999 employees, 81 percent in organizations of 5,000 to 9,999 employees, and 19.4 percent in organizations with more than 10,000 employees.

Almost 57 percent of the respondents' organizations were located in urban settings, while 43 percent were in the suburbs. Thirty-eight percent were from the Northeast, 31.3 percent from the Midwest, 16.3 percent from the Southwest, 10.9 percent from the Southeast, and 2.5 percent from the Northwest.

As Exhibit 1.5 indicates, almost 75 percent of our respondents were employed in the following four kinds of organizations: industrial manufacturing, consumer manufacturing, services (for example, healthcare, education, consulting, religion), and finance/real estate/insurance. In terms of functional field, about 2 in 5 (41.9 percent) were employed in general management, 14 percent in personnel, 9 percent in finance, and 9 percent in marketing.

Our respondents were predominantly male. Eighty-seven percent were men (N=1,304) and 10.4 percent were women (N=156). This difference is basically consistent with the gender differentiation found in professional managerial ranks in general.

MALE AND FEMALE: COMPARING EQUALS

Problem: If female managers' values differ from male managers' values in any substantial way, a ratio as sharply skewed as this might not show it. In other words, since the ratio is about 8 to 1 in favor of the men, the women's values (if they are in fact different) are "swallowed up" by the men's values. For example, in a given management cross-section of our sample, the average woman was likely to be younger, have less management experience, a lower salary, and a slightly higher level of education than the average man—all of which increase the likelihood that her values will differ from his.

To get a truer picture of how the females in our sample compared with the males, we attempted to *match* each of the female respondents in the sample with an equivalent male. In this way we could, for example, compare feelings about the economy between a female 35-year-old vice-president making $50,000 and her male counterpart.

We were able to match 130 males and females *exactly* in terms of organizational position (level), age, educational level, and salary; and with *no statistically significant differences* in the areas of company size, geographic location, and years of business experience. *All male-female analyses reported in this study are based on this matched sample.*

2

HOW MANAGERS VIEW the FUTURE

A powerful tide is surging across much of the world today, creating a new, often bizarre, environment in which to work, play, marry, raise children, or retire. In this bewildering context, businessmen swim against highly erratic economic currents; politicians see their ratings bob wildly up and down; universities, hospitals, and other institutions battle desperately against inflation. Value systems splinter and crash, while the lifeboats of family, church, and state are hurled madly about.

Alvin Toffler in *The Third Wave*

Forecasts and predictions play a key part in managerial decision making. Budgets, investment policies, and hiring practices are based largely on the manager's best guess about future economic and social conditions.

In a similar way, our personal plans and priorities depend to a great extent on our view of the future—what is possible, what is likely to happen, and what the impact of future events on our lives will be. We also try to judge our chances of influencing that future; and that judgment affects the kind of effort we expend. If we're optimistic about our ability to influence events around us, we are more willing to make a commitment of time and energy than if we believe that the course of human events is largely out of control.

American managers' beliefs about the future will have a profound effect on the future of our country. Their optimism or pessimism about the trends they see will subtly but inevitably influence the risks they take and the cautions they observe in managing the enterprises that shape our society. Their beliefs about their ability to influence these trends will determine to a large extent the vigor of their efforts to lead.

Managers responding to this survey have mixed feelings about the trends they see around them and about their ability to influence these trends. In brief:

- The vast majority (86 percent) are optimistic about their personal future, and most (70 percent) are optimistic about the prospects for their companies.
- They have very mixed feelings about the economic trends they are seeing (44 percent are pessimistic, 43 percent are optimistic, and 26 percent are mixed).
- They are also very concerned about social and political trends (44 percent are pessimistic, 31 percent are optimistic, and 26 percent are mixed).

- Almost two-thirds (61 percent) believe that the best way to improve the quality of life is to "return to basic values emphasizing individual initiative and responsibility." A much smaller number (19 percent) believe that the quality of life depends on developing "a value system emphasizing cooperation and the improvement of the total human community." Only 12 percent look to strong creative political leadership, and a surprisingly tiny 7 percent believe that technological advances will be the most important factor in improving the quality of life.

This last finding has far-reaching implications. Even though many executives are putting their money into new technology, they're placing their faith in initiative and responsibility. This value is deeply held, despite widely expressed views on the desirability of participative styles of management.

But there's a conflict brewing. This survey and others point to pronounced areas of disagreement over the management philosophy that will give American business the greatest strength and flexibility in dealing with future realities. The ideology of individual initiative is strongest, this survey shows, in the private sector and gains stature from increased support among those with higher pay and greater managerial experience. But a management approach based on cooperation and emphasizing improvement of the total human community seems to be gaining popularity among the highly educated, public managers, female managers, and members of not-for-profit service organizations.

Moreover, initiative, optimism about the future, and a feeling of "being in control" seem to be linked. Very few respondents (less than 5 percent) are fatalists who believe that trends in human affairs are beyond the power of individuals or groups to control. When the respondents think about social and political trends—areas over which they have little influence—they express a low level of optimism. They're slightly more optimistic about economic trends—an area in which they have some influence as members of the business community. They're even more optimistic about the future vitality of their organizations and highly optimistic about their personal prospects.

SIMILARITIES AND DIFFERENCES AMONG MANAGERS AT DIFFERENT LEVELS

Executives are more optimistic about economic trends than their colleagues lower in the organization. As Exhibit 2.1 indicates, optimism increases as you move from supervisors (29 percent) to middle managers (35 percent) to executives (43 percent). Similarly, pessimism about economic trends grows as you go down the organization chart from executives (13 percent) to middle managers (18 percent) to supervisors (23 percent).

Younger managers are less optimistic about economic trends than their older colleagues. Thirty-five percent of the managers under 40 years of age were optimistic, compared with 45 percent of the managers over 50. Similarly, female managers in our matched sample were significantly more pessimistic than their male counterparts.

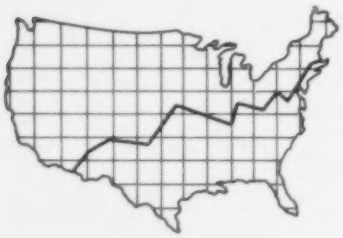
Managers at all levels hold very similar views of social and political trends, with those in the executive ranks showing slightly more optimism. Again, the youngest respondents registered the lowest level of optimism, but only slightly so: 27 percent compared with an overall average of 29 percent.

Taken together, the answers to these two questions suggest that moving up the corporate hierarchy may have a significant effect on a person's economic outlook and, to a lesser extent, on feelings about political and social trends.

Exhibit 2.1. Managers' views of trends.

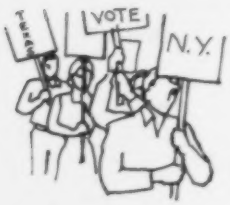
(Percentages)

Question: "When I think about the *economic* trends in our country in the next 10 to 15 years, I am:



	Supervisory managers	*Middle managers*	*Executive managers*
Optimistic	29.1	35.2	43.2
Quite mixed in my feelings	48.0	47.0	43.6
Pessimistic	23.0	17.8	13.2

Question: "When I think about the *social and political trends* in our country in the next 10 to 15 years, I am:



	Supervisory managers	*Middle managers*	*Executive managers*
Optimistic	27.0	26.1	30.7
Quite mixed in my feelings	44.6	48.7	43.6
Pessimistic	28.4	25.2	25.6

Question: "When I think about the prospects for my *own organization* in the next 10 to 15 years, I am:

	Supervisory managers	*Middle managers*	*Executive managers*
Optimistic	57.4	63.2	70.4
Quite mixed in my feelings	30.4	27.1	22.1
Pessimistic	12.2	9.7	7.5

Question: "When I think about the prospects for *my personal life* in the next 10 to 15 years, I am:

	Supervisory managers	*Middle managers*	*Executive managers*
Optimistic	79.6	81.9	86.6
Quite mixed in my feelings	16.3	16.6	12.6
Pessimistic	4.1	1.4	.8

But why the trend toward pessimism in respondents who are younger and generally lower in the corporate hierarchy? We usually think of youth as the time of our greatest optimism—in both our private lives and the future of the world in general. After all, youth *is* the future.

Our findings, however, don't bear out this vision of starry-eyed youth ready to take on the world. Rather, they present us with a group that is deeply concerned with the state of our economy and social and political trends in general.

On the other hand, the optimism of the older managers (who are also generally higher in the corporate structure) seems to reflect the greater sense of control they feel they have in their lives. A few (those in their late fifties) lived through the Depression; most helped rebuild our nations' economy afterward and profited during the boom years of the 1950s and early 1960s. Most are now in positions of considerable authority in their organizations and feel they have more of a say in the directions those organizations take. They've made their lives and careers, and for the most part have been successful.

When asked to focus on the prospects for their own organizations, managers become decidedly more optimistic. The executives are most optimistic (70 percent), but a healthy 63 percent of the middle managers and 57 percent of the supervisors also have positive views about the future of their companies. Only a small minority (less than 10 percent above the supervisory level) feel pessimistic about their organization's prospects in the next 10 to 15 years. This optimism holds consistently, regardless of age, education, or gender.

When it comes to the prospects for their personal future, managers become even more optimistic. Nearly 85 percent responded "optimistic" when asked to consider "the prospects for my personal life in the next 10 to 15 years." Only 19 managers (1.4 percent) out of the 1,461 who responded to this question felt pessimistic about their chances for future success. Here again the feelings of optimism tend to be related to hierarchial position. Executives are more optimistic than middle managers, and middle managers are more optimistic than supervisory managers. The opposite is true regarding pessimistic feelings. Similarly, older managers (51 plus years) tend to be slightly less optimistic than younger managers (40 or less)—with the 41- to 50-year-olds falling in between. Educational level or gender seem to make little difference in their feelings of optimism or pessimism.

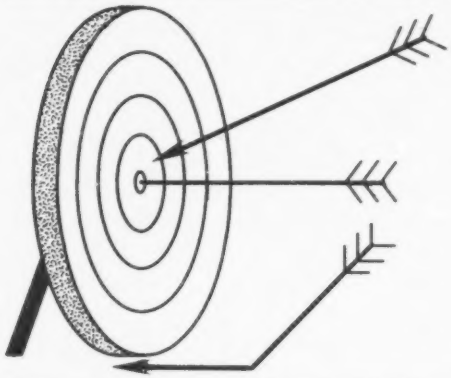
Supervisory managers are as hopeful of "fulfilling their life's ambition" as are middle managers and executives. (See Exhibit 2.2.) Younger managers were twice as likely to respond "yes" to this question as were older managers. Only 15.5 percent said "no" compared with 21.8 percent of the managers 41-50 years old and 26 percent of those 51 or older. (However, nearly 31 percent of the older managers said that they "already have" fulfilled their life's ambition, as contrasted with only 10 percent of the managers 41-50 and 6 percent of the managers 40 or younger.) Managers with more education are more hopeful of fulfillment. Male and female managers are not significantly different here. The noteworthy fact is that more than 80 percent of American managers believe that they either will fulfill their life's ambition or already have.

For more than half of American managers (55 percent) feelings about their personal future have the greatest impact on their overall feelings of optimism or pessimism. From these data we might conclude that American managers are generally an optimistic group, but that their optimism is tempered by their concerns about economic, social, and political trends.

CAN THESE TRENDS BE INFLUENCED?

Our feelings of optimism or pessimism about the future are also influenced by our belief about the possibility of changing the course of trends we do not like. Here we find the managers in our survey to be quite optimistic. (See Exhibit 2.3.) Less than 6 percent of these American managers believe that trends in human affairs are "beyond the power of any individual,

Exhibit 2.2. Do you expect to fulfill your life's ambition?



	Executives	*Middle managers*	*Supervisors*
Yes	64%	64%	70%
Already have	17	10	7
No	18	25	22

group, or organization to control in any substantial way." Sixty-two percent believe that these trends are "complex, but open to influence by determined individuals, groups, or organizations." Another 33 percent believe that human events are "controllable if people are willing to make the effort." Age, sex, or level in the organization do not seem to affect these beliefs.

These responses suggest that even though economic, social, and political conditions may be the cause of some concern, they are not considered to be out of control. Though we may not be uniformly confident about having all the answers, most of us are still confident that they can be found. American managers seem to be saying, "Human affairs are indeed complex, but they are controllable if we make the effort together."

PRESCRIPTIONS FOR IMPROVED QUALITY OF LIFE

Where shall we look for the key to a better life? Various scholars have suggested a range of possibilities:

Exhibit 2.3. Managers' views of their power to influence trends.

Question: "In general, I view trends in human affairs to be . . . "

	Supervisory Managers	*Middle Managers*	*Executive Managers*
Beyond the power of any individual, group, or organization to control in any substantial way.	5.5%	3.4%	5.8%
Complex, but open to influence by determined individuals, groups, or organizations.	56.8	64.0	62.4
Controllable if people are willing to to make the effort.	37.7	32.6	31.8

- Technological advances
- Strong, creative, and effective political leadership
- Letting current social, political and economic trends continue
- A return to basic values emphasizing individual initiative and responsibility (*Ideology I*)
- Developing a value system emphasizing cooperation and the improvement of the total human community (*Ideology II*)

Given these choices, the managers in our survey expressed a clear preference (61 percent) for "a return to basic values emphasizing individual initiative and responsibility," or Ideology I. This ideology is symbolized by the rugged individualist with the pioneer spirit who helped build our nation. Its roots are in the American Dream—the idea that anyone, no matter how poor or disadvantaged, can become successful through hard work and perseverance.

A distant second choice (preferred by one out of five managers) was "developing a value system emphasizing cooperation and the improvement of the total human community," or Ideology II. Ideology II stresses the idea of community and cooperation in accomplishing tasks in the belief that true teamwork is ultimately more efficient and productive than individual competition. Loyalty and trust are also integral parts of this ideology. This seems to be similar to the core of the Japanese management philosophy. See Exhibit 2.4.

These findings have potentially disturbing implications. Technology and the scarcity of natural resources continue to bring our world closer together through accessibility and interdependence. Some management specialists argue that the independent, pioneering spirit that built America is no longer enough to ensure its tenure as one of the major world powers; the isolation that tends to accompany the assertion of independence is no longer suitable. All signs point to a greater need for cooperation, not only among nations, but also among different industries and competing organizations—and even within organizations themselves. They do not mean to imply, of course, that there is no longer room for individual initiative and entrepreneurship; indeed, these are the bases of discovery and progress. But they must be tempered by the knowledge that there is a worldwide trend toward cooperation, and that it is in our best interest to be a part of it.

Further analysis revealed that 12 percent look to "strong, creative, and effective political leadership," and another 7 percent expect better life quality to result from "technological advances." Fewer than 1 percent favor "letting current social, political, and economic trends continue." Clearly managers believe there is a need for change.

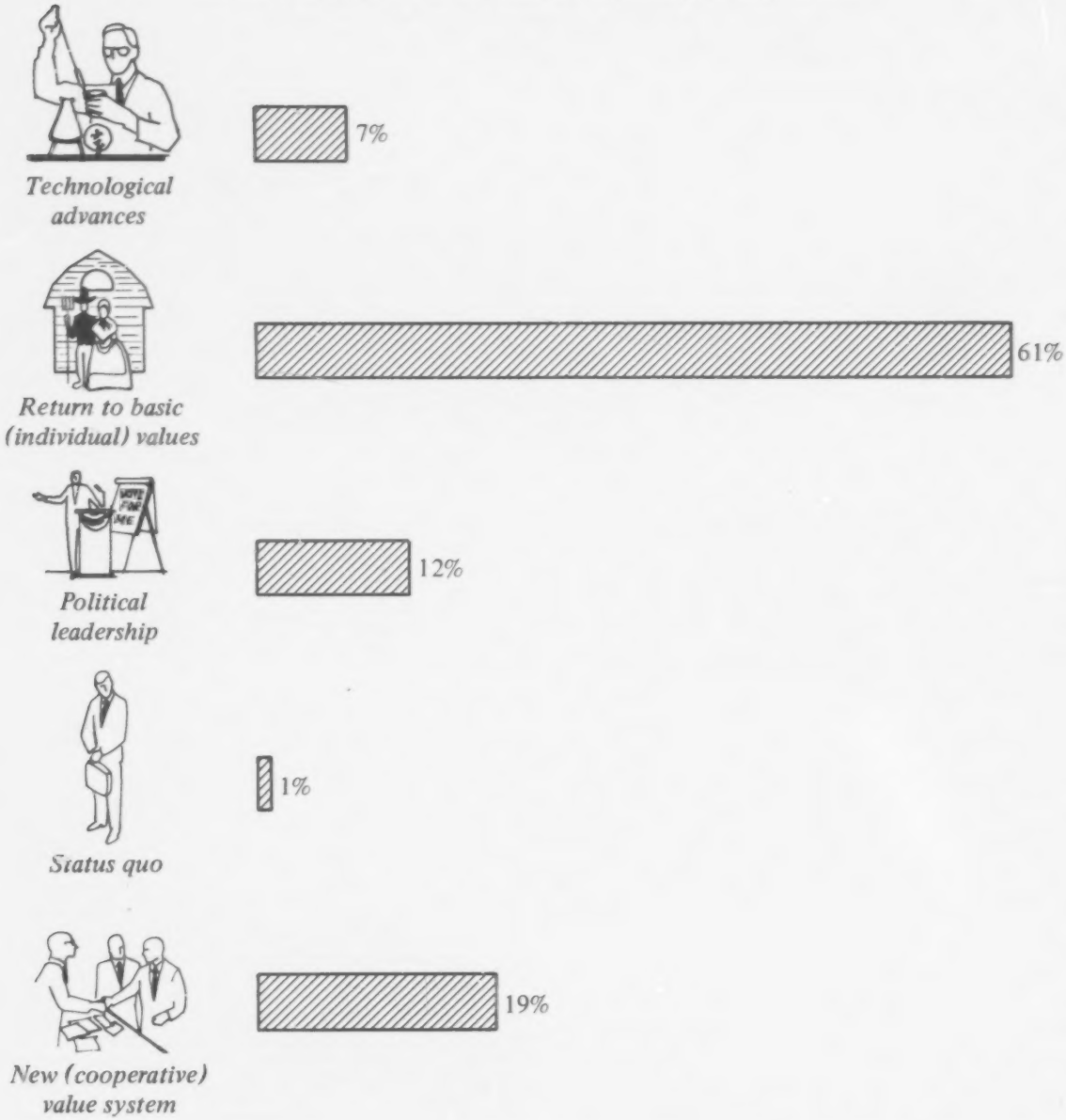
Our findings are consistent with other studies that show the majority of managers favoring Ideology I. A recent comparative study of business school students and public administration students found that those who plan to go into business prefer Ideology I, while those preparing for public service careers prefer Ideology II. Significantly, however, a 1981 study by Jim Evans showed that more than 70 percent of the business managers, government administrators, and students surveyed believe that the cooperative value system (Ideology II) will dominate the future.

This survey also reveals that support for Ideology II may be gathering impetus in certain sectors. In fact, a closer look at the cross-tabulations reveals some significant differences of opinion. For example, 27 percent of the respondents representing various departments of government and public management voted for Ideology II as the basis for a better future. But the strongest vote of confidence in a cooperative work ethic came from the medical/healthcare respondents: 34 percent.

To put our findings into even better perspective, we asked 41 YMCA executives to respond to this question. Sixty-eight percent indicated a

Exhibit 2.4. Improvement of the quality of life.

Respondents chose one phrase to complete the statement: "I believe that improvement of the quality of life in our country depends primarily on . . ."



belief that an improved quality of life depends on "developing a value system emphasizing cooperation and the improvement of the total human community (Ideology II). Twenty-eight percent favored a return to basic values emphasizing initiative and responsibility. This is a virtual inversion of our data from the profit-making sector.

Although we did not ask in our study which ideology respondents believed would prevail in the future, we found the strongest support for Ideology II among female managers and those with college and graduate degrees. Jim Evans' study also found female managers and students of both business and public administration to be more favorably disposed to Ideology II than their male counterparts. Age may also be a contributing factor in this trend. Younger college students (ages 18-25; N = 1,312) have been shown to be significantly more favorably disposed toward Ideology II than their classmates over 30 (N = 355) (Gifford et al., 1978).

On the other hand, confidence in the ideology of individual initiative is clearly correlated with salary, rank, and years of managerial experience. Among those making $20,000 or less a year, for example, support dips to 50 percent. Among those earning $100,000 or more, it soars to 70 percent. Cross-tabulations with rank and years of managerial experience show similar patterns. Also, certain industry classifications show a greater tendency toward Ideology I, with the members of the physical transportation and distribution category revealing the strongest belief in individualism.

What this all indicates, in summary, is that disagreement does exist:

- Many individuals feel that Ideology II will be most prominent in the future, and
- Ideology II seems to be gaining support in the government, healthcare, and nonprofit sectors, but
- The clear majority of managers still believe that individual effort and responsibility are the keys to a better life; moreover, this ideology receives its strongest support from those who have positions of leadership within the business community.

We should pause to point out that these need not be viewed as mutually incompatible positions. Managers have always been responsible for taking charge (Ideology I). Without abandoning this attitude completely, they may find it increasingly important to temper it in the future by seeking a greater degree of involvement and cooperative effort (Ideology II).

The clash between these two ideologies will almost certainly affect business and governmental policies in a substantial number of ways in the years ahead. Our challenge is to prevent an either/or stalemate on this issue as we seek the most effective way to utilize the wisdom inherent in each point of view.

IMPLICATIONS OF THESE FINDINGS FOR MANAGERS

In analyzing the results reported in this section, the following implications and questions occur to us:

1. Managers seem to be most optimistic about things that are most directly under their control—that is, their personal future and their organization's future. It's interesting to speculate on the cause-and-effect issue here: Does their optimism stem from their feeling that they have influence, or do their efforts to influence arise from their optimism that they can make a difference? As we also noted, optimism weakens as the managers (especially those who are younger and generally lower in the corporate hierarchy) ponder the larger trends in society. This is a rather disturbing fact because we have traditionally looked to youth to be the shapers of the future. That they are starting out with a less optimistic outlook may bode ill for the years to come.

2. Managers believe that today's complex problems are open to influence by those who are determined to do so. The challenge is to find ways to focus and channel these efforts in the most effective ways. In the organization, this means agreeing upon where the organization is

going and what it is trying to accomplish. This congruence can provide a mighty force and is at the core of what William Ouchi refers to as a "Theory Z" organization. Other scholars (such as Howard Schwartz and Sheldon Davis) also insist that the organizations most likely to survive in the future are those that have their value system in harmony with their major business strategies.

3. The potential conflict between Ideology I and Ideology II poses some interesting problems—particularly if, indeed, Ideology II is likely to dominate the future. How can we best prepare managers who espouse Ideology I for such a future? We should work to extract the best tenets of each and fuse them in a new type of American manager who is comfortable with the ethic of cooperation while at the same time retaining the individuality and entrepreneurship that have been at the heart of American enterprise.

3

MANAGERS' PERSONAL and ORGANIZATIONAL VALUES

The struggle for self-fulfillment in today's world is the leading edge of a cultural revolution. It is moving our industrial civilization toward a new phase of human experience.

Daniel Yankelovich in *New Rules* (1981)

In turbulent times like the 1980s, clear values are of greater than usual importance. In managing our personal lives, we need values to provide a sense of direction amid conflicting and confusing pressures. In managing others, we need values to serve as guidelines for decision making and for clear and effective communication. To see just how well managers understand their own values and think they understand the values of those around them, we investigated these topics: (1) the personal qualities managers value most highly, (2) the clarity of managers' personal values, (3) how well managers believe they understand the values of their superiors, peers, and subordinates, (4) how managers assign priority to various organizational goals, and (5) how managers assess the current popular interest in values.

And we turned up some interesting facts:

- The personal qualities managers admire most in themselves and others are *responsibility* and *honesty*.
- Almost 40 percent of the supervisory managers polled indicated that they are not confident that they understand the values of their superiors. (Twenty percent of the supervisors disagreed with the statement, "I am confident I understand my superior's values," and 19 percent were uncertain.) There is still work to be done in bridging the chasm between the shop floor and the front office.
- The further up managers move in the corporate hierarchy, the more likely they are to be unsure of the values of their subordinates. This is probably because the higher a manager goes, the more (and more diverse) subordinates he or she has.
- Conversely, the further up managers move in the corporate hierarchy, the greater the understanding of their colleagues' values becomes.
- In addition (and not surprisingly), the higher managers move in the corporate hierarchy, the more in touch they feel with their organization's goals.
- All managers, regardless of position, age, or

gender, agree that the most important organizational goal is *effectiveness.*

PERSONAL QUALITIES MOST HIGHLY VALUED BY MANAGERS

Using Milton Rokeach's list of 18 basic instrumental values, we sought to determine what personal traits managers value most in themselves and others. When we asked the managers in our survey to check the *six* most important of these values, the two that headed the list were *responsible* (88 percent) and *honest* (87.7 percent). See Exhibit 3.1. They were mentioned 20 percent more often than the next choice—*capable*—which was selected by about two-thirds of the managers, while *imaginative* and *logical* were cited by about one-half.

One in every three managers chose *ambitious, broadminded,* or *self-controlled* as being one of their most important values. *Independent, helpful,* and *intellectual* were chosen by about 25 percent of the managers. At the very bottom of the list was *obedient*—chosen by less than 1 percent of the respondents. It is also interesting to note that the low standing of *cheerful, courageous, loving, forgiving, polite,* and *clean*—each capturing less than 20 percent of the vote.

THE CLARITY OF MANAGERS' VALUES

Most managers believe that their values are clearer today than they were five years ago (see Exhibit 3.2); only 11 percent of them disagreed with the statement, "I am clearer about my personal values now than I was five years ago." This increased clarity of values does not seem to be influenced by education, but it does seem to be influenced by gender and age. Male managers answered the question more affirmatively than did female managers—perhaps because women's values have so recently gone (are still going?) through a tremendous upheaval. Managers under 50 are also more certain that their values have clarified in the past five years.

MANAGERS' CONFIDENCE IN THEIR UNDERSTANDING OF OTHERS' VALUES

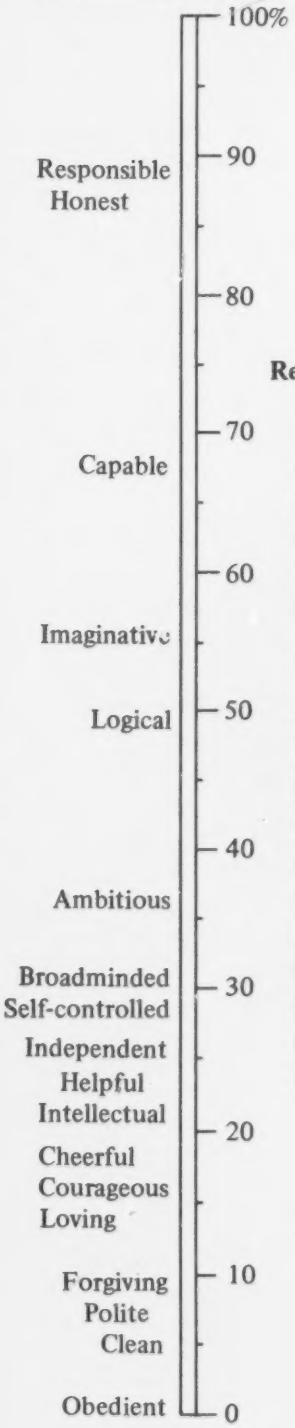
The managers responding to this survey are quite confident that they understand the values of their subordinates. Only one in every 200 disagreed *strongly* with the statement, "I am confident that I understand the values of my subordinates." This confidence seems to diminish slightly as people move up the organizational ladder—with executives less certain than supervisors. See Exhibit 3.3.

The trend goes in the other direction, however, when managers focus on their knowledge of the values of colleagues, superiors, and the organization. Here the executives feel more certain. Almost 73 percent of the executives agreed that they understand their colleagues' values, compared with only 64-65 percent of the middle managers and supervisors. In the same way, 76 percent of the executives feel confident about their superiors' values, compared with only 67.9 percent of the middle managers and 63 percent of the supervisory managers. And a substantial 86 percent of the executives (versus 76.4 percent and 73.8 percent of middle and supervisory managers, respectively) express confidence about their understanding of organizational values.

Both supervisory and middle managers believe that they understand their subordinates' and organization's values better than they understand the values of their peers and bosses. Nearly one in every five of these managers lacks confidence in his or her understanding of the boss' values. Supervisory managers are more than twice as

Exhibit 3.1. Personal qualities that are generally admired in the workplace.

Rank order, total respondents

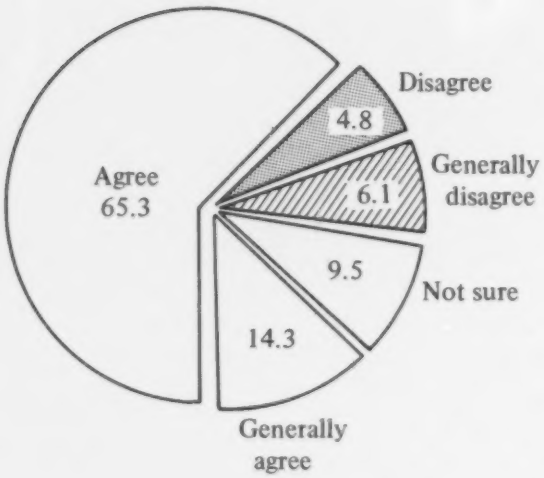


Respondents chose 6 of these 18 traits:	*Supervisory Managers*	*Middle Managers*	*Executive Managers*
Responsible	87.9%	87.0%	88.4%
Honest	81.2	84.6	90.6
Capable	63.8	64.1	68.6
Imaginative	49.7	48.9	57.9
Logical	51.7	46.8	50.5
Ambitious	35.6	32.2	36.7
Broadminded	37.6	33.8	26.8
Self-Controlled	27.5	33.6	29.1
Independent	31.5	31.2	23.3
Helpful	28.9	24.8	22.5
Intellectual	22.1	22.5	23.2
Cheerful	16.8	18.7	18.8
Courageous	9.4	15.1	20.4
Loving	17.4	15.6	15.5
Forgiving	10.1	9.5	8.5
Polite	8.7	10.4	7.9
Clean	11.4	9.0	7.4
Obedient	3.4	.9	.4

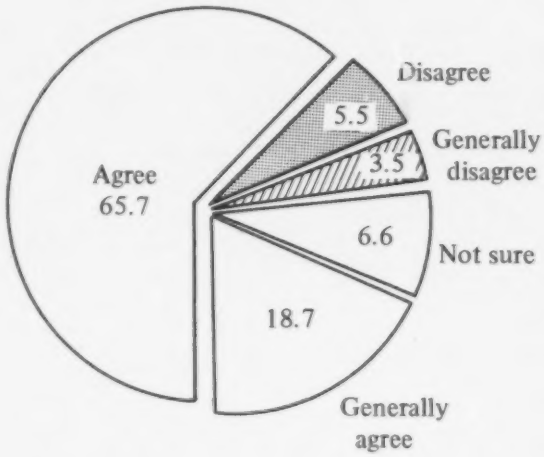
3.2 Clarity of managers' values.

Statement: I am clearer about my personal values now than I was five years ago.

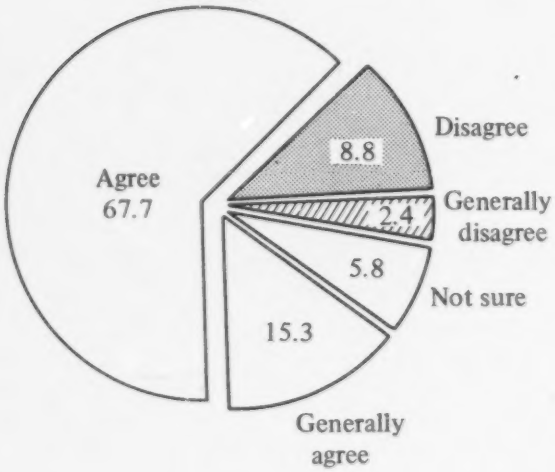
Supervisory Managers (Percent)



Middle Managers (Percent)

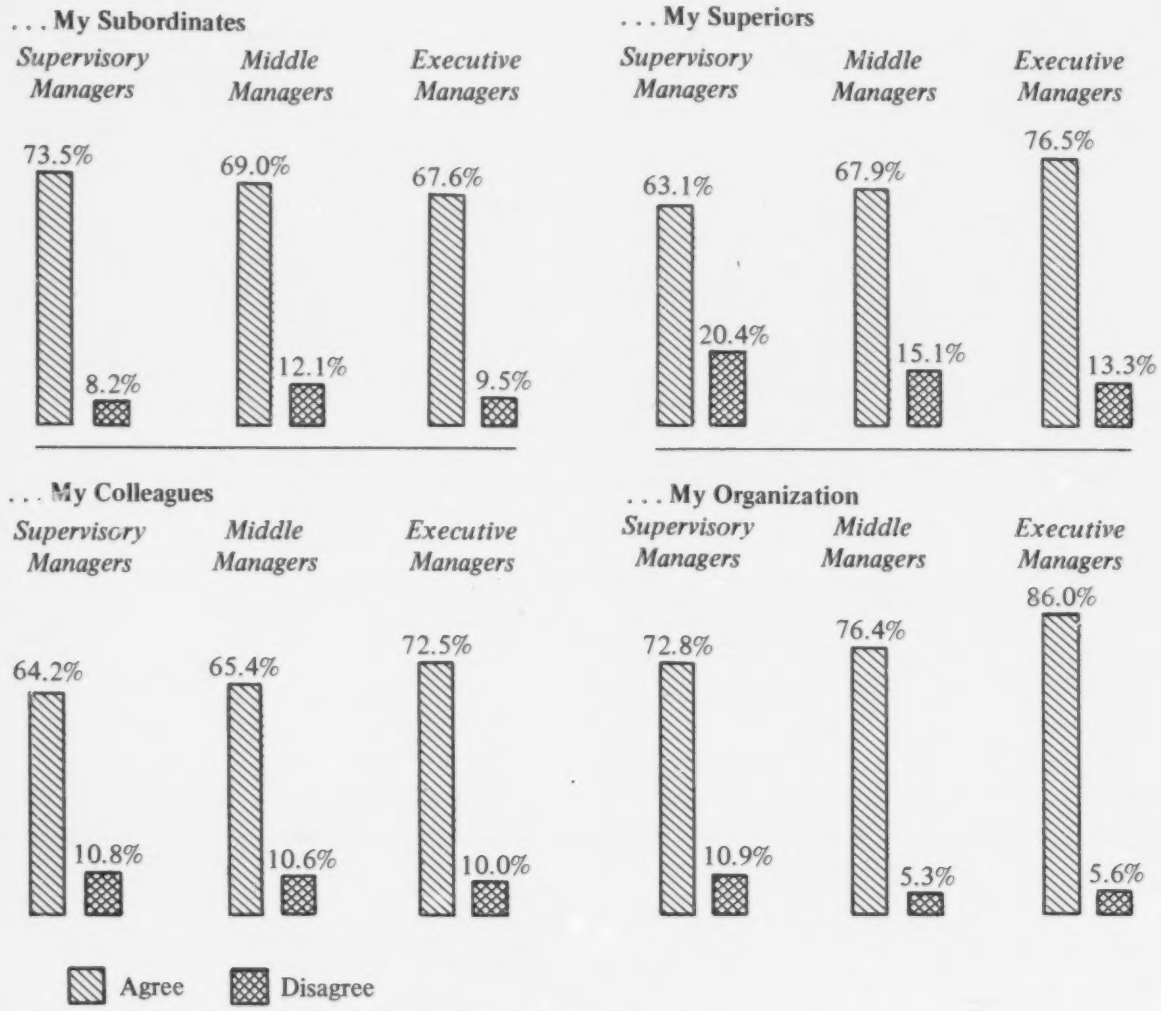


Executive Managers (Percent)



3.3 How well managers feel they understand values of others in the organization.

Statement: "I am confident that I understand the values of . . ."



Note: Percentages for respondents indicating "uncertain" are not shown.

likely to be unsure of their organization's values than either middle managers or executives.

But wait. If all our managers, regardless of sex, age, or organizational level, so overwhelmingly value the same things in each other and in themselves, why so much doubt all around about understanding the values of subordinates, peers, and superiors? Holding similar values should indicate some degree of homogeneity—at least enough to dispel fears of not understanding the values that motivate one's co-workers.

The problem, it seems, really lies in communication—or the lack of it. Many recent studies (for example, Brown, 1976; Posner and Munson, 1979; and Zenger, 1971) show that perceived value differences are a major source of superior-subordinate tensions and conflicts. What's needed are clearer and more thorough communication lines: not just an increase in the number of memos circulated, but a serious effort to sit down and discuss how each of us perceives our organization's long-term goals and the personal meaning these goals hold for us.

It should come as no surprise that these feelings about peoples' values were highly correlated. (The average intercorrelation among these variables was .43, which is statistically significant beyond the .0001 level of chance probability.) This means that managers who feel unsure of, say, their superiors' values are also likely to feel uncertain about the values of their colleagues, subordinates, and the organization—and vice versa.

In general, younger managers are less confident that they understand others' values than are their older (over 41) co-workers. Managers in their forties and fifties are more likely to feel that they understand the values of colleagues, superiors, and the organization. Neither age nor gender, however, seems to influence managers' perceived understanding of the values of their subordinates. Here executive, middle, and supervisory managers alike show about the same level of confidence.

PRIORITIES AMONG ORGANIZATIONAL GOALS

To be successful, an organization must pay attention to many different dimensions: productivity, profits, morale, growth, and so on. Some of management's toughest dilemmas occur in trying to strike a balance among these. Should current profits take priority over growth? Should efficiency be weighed more heavily than morale? In making these choices, the manager's own values become particularly important.

To find out how American managers assign priority to their organizational goals, we asked our respondents to rate a selection of typical goals on a seven-point scale. See Exhibit 3.4. We chose goals that researchers like George England have demonstrated to be most directly related to managerial behavior. Respondents were asked to rate each goal on a seven-point scale, a "1" indicating "of little or no importance to me" and a "7" indicating "very important to me." Because many of the goals were rated at the high end of the scale, our analysis focused on rank order rather than absolute rating.

The most important organizational goal, regardless of the manager's position in the hierarchy, age, gender, or educational level, is *organizational effectiveness.* Indeed, this term may well serve as a catch-all for many other goals—nevertheless, it's the phrase that is most appealing to managers today.

A clustering of next-most important goals includes *high productivity*, *organizational leadership*, *high morale*, *organizational reputation*, and *organizational efficiency*. Each of these contributes in a significant way to making an organization effective.

The next-highest cluster of goals includes *profit maximization*, *organizational growth*, and *organizational stability*. At the bottom of the list are *organizational value to the community* and *service to the public.* These findings are graphically presented in Exhibit 3.5.

The greatest difference between managers at different levels occurred over the importance of *profit maximization.* Executives ranked it seventh, middle managers ranked it ninth, and supervisory managers ranked it at the bottom—eleventh. This goal apparently takes on different meanings at different levels of the organization.

Exhibit 3.4. The importance of various organizational goals.

Average ratings. Respondents used a seven-point scale.

Organizational goals	*Total sample*	*Supervisory managers*	*Middle managers*	*Executive managers*
Organizational effectiveness	6.24	6.13	6.22	6.26
High productivity	6.11	5.97	6.02	6.16
Organizational leadership	6.09	5.90	6.12	6.11
High morale	6.02	6.03	6.04	6.01
Organizational reputation	5.98	5.76	5.93	6.04
Organizational efficiency	5.95	5.98	5.96	5.93
Profit maximization	5.22	4.53	4.98	5.44
Organizational growth	5.14	4.96	5.05	5.20
Organizational stability	5.12	5.14	5.07	5.13
Organizational value to community	4.87	4.82	4.92	4.82
Service to the public	4.80	4.99	4.92	4.68

As some executives observe: "Profit is the return from the customer for being an effective organization."

The age of the manager seemed to make little difference in these ratings of organizational goals—although managers under 40 generally evaluated as less important the two outer clusters presented in Exhibit 3.5. Neither gender nor educational level appeared to influence these relationships in any significant way.

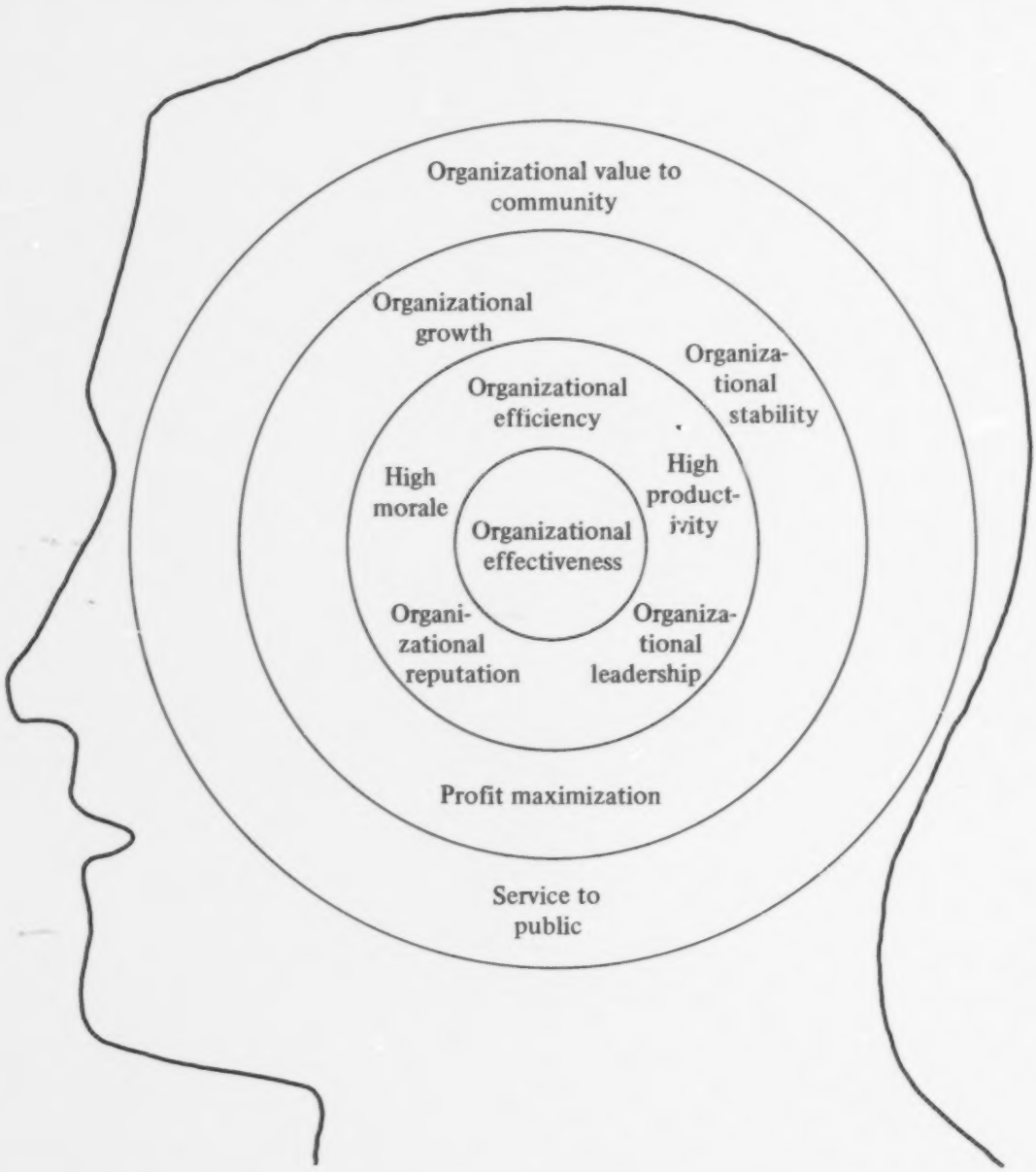
ASSESSING PEOPLE'S CONCERN ABOUT VALUES

Are people generally more concerned about values today than they were a few years ago? The managers in our survey are quite divided on this (see Exhibit 3.6). About 41 percent see a greater concern, 37.6 percent do not, and 21.1 percent are not sure. Executives are more likely to sense a growing concern about values than are middle managers or supervisory managers. Managers with more education also seem to detect a growing interest in values.

IMPLICATIONS OF THESE FINDINGS FOR MANAGERS

1. Perceived value differences are often involved in interpersonal and interdepartmental conflicts in organizations. Some of these conflicts might be handled more effectively if managers felt they better understood the values of their colleagues and superiors. As our data suggest, some of these differences may be more imaginary than real. Better communication within the organization regarding value issues is in order.

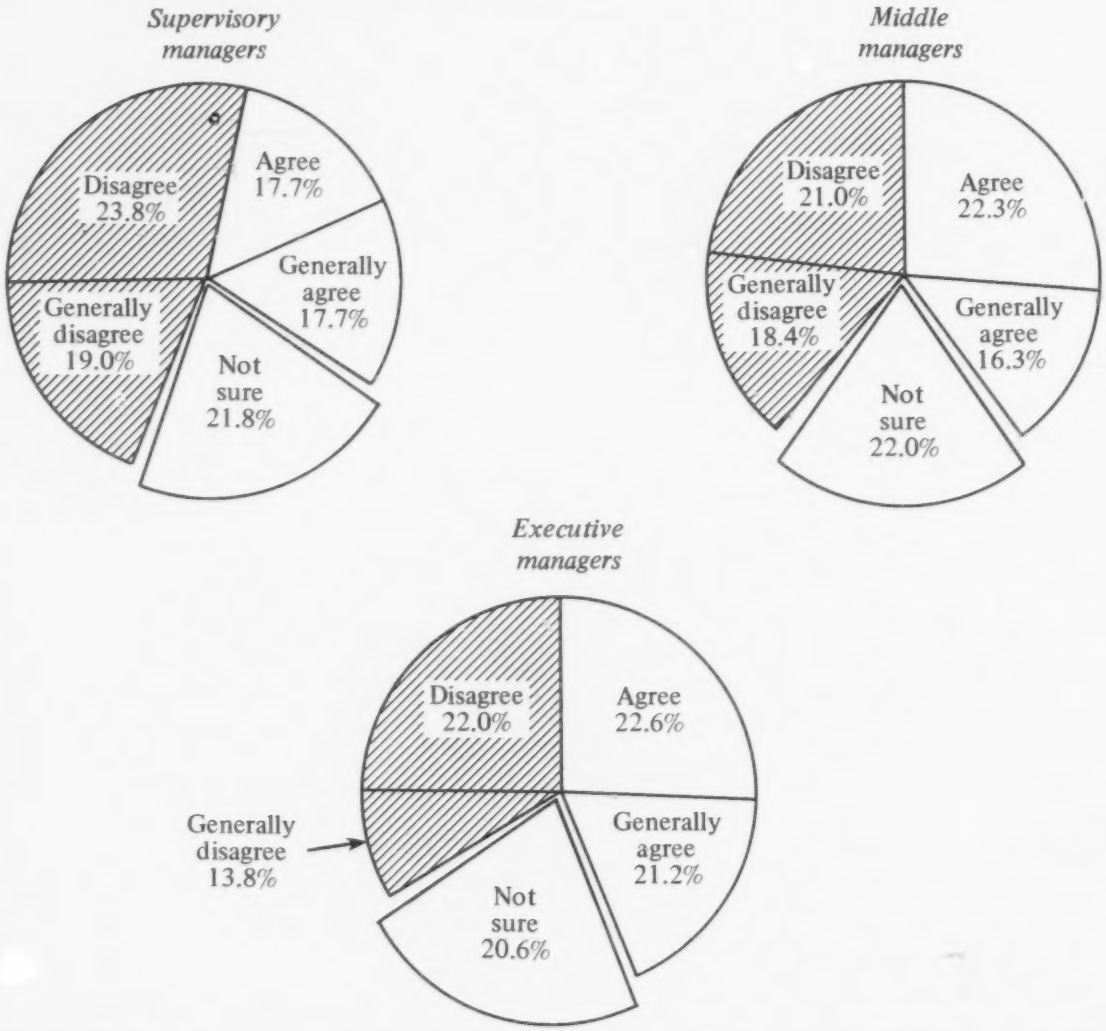
Exhibit 3.5. Important organizational goals as managerial values.



2. The personal values of managers seem to be relatively stable and independent of various individual characteristics (though this is probably more true within organizations than between them). It is important for organizations to identify their key managerial values and then to design policies, programs, and opportunities that are consistent with them.

3.6. Concern about values.

Statement: "People are more concerned about values today than they were a few years ago"



3. Since managers at all levels place such a high value on honesty and responsibility, organizations will do well to reflect these qualities in their policies and to recognize and reward managerial behavior that demonstrates them. (A recent study of several hundred MBAs from prominent universities concluded that the most important job factor five years after graduation is feeling that one is *making a contribution*—a clear indication of managers' high valuing of responsibility.)

4. Managers are more likely to be effective in influencing people if they understand their values. Thus it is particularly important that older superiors (that is, executives) and younger

subordinates (that is, supervisory or middle managers) get to know what each other values. The greater the congruence of these values, the greater the chances of working together in a productive and satisfying relationship.

What people want in a job

23,000 highly educated (middle class) readers of *Psychology Today* reported why they worked:

1. Chance to do something that makes you feel good about yourself
2. Chance to accomplish something worthwhile
3. Chance to learn new things
4. Chance to develop one's skills and abilities
5. Amount of freedom you have on the job

—*Psychology Today*, May 1978

5. Organizations need to make their values clearer to those working at the lower levels—where the day-to-day work is performed. Some social critics have claimed that "productivity problems" are often a result of the poor communication of values between management and those who actually carry out the organization's work. (A frequently cited example of good communication is IBM, which has made its overriding commitment to customer service clear to employees throughout the system—enabling managers, programmers, and service representatives alike to channel their behavior and priorities appropriately.)

6. One area in which individual and organizational values need to be articulated most clearly is in managerial career planning and career development programs. "Values clarification" should always be a primary activity in such programs.

4

HOW MANAGERS VIEW THEIR ASSOCIATES at WORK

Some people strengthen the society just by being the kind of people they are.

John W. Gardner in *No Easy Victories*

Managers work with and through other people. Much of their effectiveness depends on the quality of their relationships with subordinates, peers, and superiors in the organization—and sometimes with customers, suppliers, and others outside. Some of these relationships seem to work smoothly (the people involved like and trust one another), but sometimes the relationships are tense and troublesome (and then we speak of "personality clashes" and "poor chemistry").

In recent years we have become more and more aware of the high cost of distrust in organizations. When colleagues do not understand and trust one another, they waste large amounts of time, energy, and creativity protecting themselves or avoiding or undermining the efforts of others.

Many things determine how well we can work with another human being and how much we enjoy a relationship. As we learn to value certain personal traits in those we work with, our relationship with them becomes easier and more productive. We look for certain qualities in a subordinate, a peer, or a boss. And when we find these qualities, we feel fortunate. We also come to know that some kinds of people are more important than others in influencing our success.

THE 15 MOST ADMIRED QUALITIES

When we asked managers, "What values (personal qualities or characteristics) do you look for in your subordinates, colleagues, and superiors?" our respondents wrote in more than 225 different traits.

In analyzing this long list, we were able to establish 15 categories (listed here in alphabetical order) of the qualities respondents most admire in those with whom they work:

1. *Broadmindedness* (open-minded, flexible, receptive)
2. *Competence* (capable, productive, efficient, thorough)
3. *Cooperativeness* (friendly, team player, available, responsive)
4. *Dependability* (reliable, conscientious, predictable)
5. *Determination* (industrious, hard-working, motivated)

6. *Fairness* (objective, consistent, democratic)
7. *Imagination* (creative, innovative, curious)
8. *Integrity* (truthful, trustworthy, has character, has convictions)
9. *Intelligence* (bright, thoughtful, logical)
10. *Leadership* (inspiring, decisive, provides direction)
11. *Loyalty* (has a commitment to me, the company, or policies)
12. *Maturity* (experienced, wise, well-grounded, has depth)
13. *Straightforwardness* (direct, candid, forthright)
14. *Sensitivity* (appreciative, concerned, aware, respectful)
15. *Supportiveness* (understanding, empathic, helpful)

Of these 15, the quality that tops the list is *integrity*. Whether managers are dealing with subordinate, peer, or boss, integrity is the characteristic they value most. (See Exhibit 4.1.) Another quality we admire in others, regardless of their relationship to us, is *competence*. Our respondents seem to be in solid agreement with John Gardner's statement:

> An excellent plumber is infinitely more admirable than an incompetent philosopher. The society which scorns excellence in plumbing because plumbing is a humble activity and tolerates shoddiness in philosophy because it is an exalted activity will have neither good plumbing nor good philosophy. Neither its pipes nor its theories will hold water.

WHAT WE ADMIRE IN THE BOSS

In addition to integrity and competence, we want our superiors to provide *leadership* and to be *supportive*. These characteristics promise to be critical to effective organizational leadership in the decade ahead. The judgment of our respondents echoes some recent management literature:

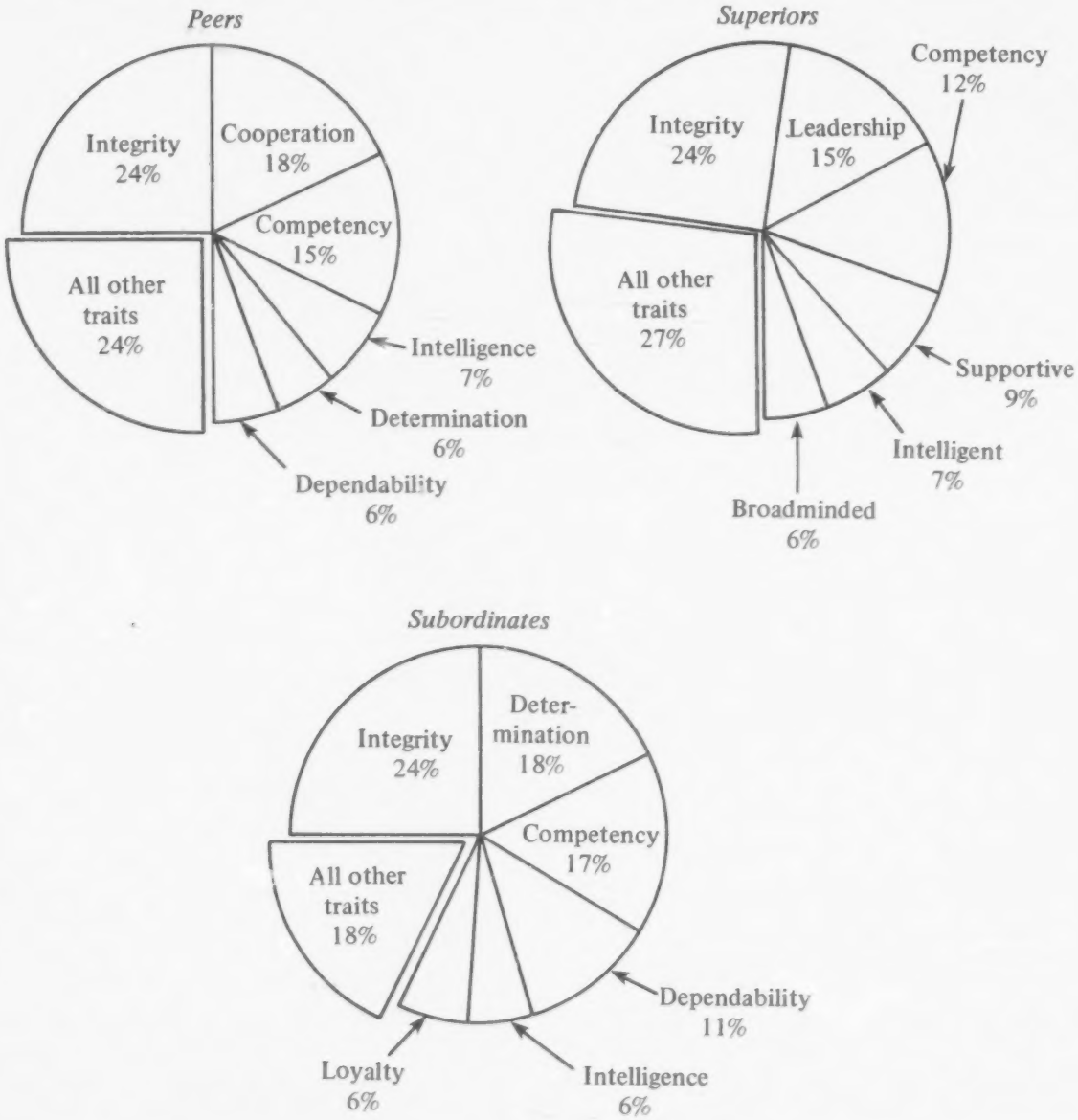
- **Michael Maccoby** wrote about the "gamesman" as the prototype of the successful executive of the 1960s and 1970s: the innovative and daring person who thrived on adventure and competition; was eager to get ahead at any cost; was willing to pay any price; and (cooly detached from emotions and sentiments) exploited people ruthlessly. In his latest book, *The Leader*, Maccoby writes that, "in the eighties, the gamesman's style no longer works." At the core of the new model of corporate leadership is a new emphasis on self-development and the development of others, reorganizing of work so that it contributes to people's sense of self-worth, pulling people together to achieve win-win objectives, and being responsive and responsible to people-oriented needs in an era of limited economic growth and accelerating technological change.

- **Robert Blake** and **Jane Mouton**, among other leadership theorists, argue in *The Managerial Grid* for the superiority of the "team leader"—the person who is able to set direction and take action, and is also appreciative of and encouraging to his or her people. (And please note that these qualities are closely related to *integrity* and *competence*.)

WHAT WE ADMIRE IN PEERS

In addition to *integrity* and *competence*, our managerial respondents value *cooperativeness* and *intelligence* in their peers. (The latter is, of course, related to *competence*.) *Cooperativeness*, however, is ranked second only to *integrity*—underscoring their high interdependence in modern organizations. When we have no formal or

Exhibit 4.1. Qualities most admired in peers, superiors, and subordinates.



hierarchical power over others, we have to rely more heavily on their sense of cooperation, their availability, and their responsiveness to our concerns.

Recent studies of managerial behavior indicate that managers spend more time communicating and interacting with their peers (colleagues at the same organizational level) than they do with

superiors or subordinates. For teamwork to exist in an organization, cooperation clearly needs to overshadow the spur of competitiveness.

WHAT WE VALUE IN SUBORDINATES

Determination and *dependability* come to mind when managers think about subordinates. Managers look for someone they can count on; someone who will stay with a job until it's finished and will deliver on promises. In the judgment of our respondents, these two qualities outrank even *intelligence* and *loyalty*. *Integrity* and *competence* still rank high in appraising subordinates, however.

THE OVERALL PICTURE

The results presented in Exhibit 4.1 are the same for executives, middle managers, and supervisory managers: These are the qualities admired at every level of the organization. The striking consistency in the results, while reassuring, is not particularly surprising. The two qualities cited most often in all three categories–*integrity* and *competence*–are perhaps the qualities most basic to doing a good job, regardless of the level of the person who exhibits them. *Cooperation* is as important to the supervisor as to the executive, and *leadership* is valued by those at the top as much as by those at the bottom of the organization chart.

WHO IS REALLY IMPORTANT TO THE MANAGER?

Managers, especially executives, often feel like "the person in the middle." They are bombarded with conflicting claims, requests, and demands from different groups inside and outside the organization–not just bosses and subordinates, but customers, government officials, the general public, and so on. Harlan Cleveland wrote in his book, *The Future Executive*, that more and more every executive is also a *public* executive–held accountable by a growing number of constituencies.

Some of management's most critical tradeoffs are between different groups who each have a stake in some aspect of the organization's efforts. When such a "moment of truth" arrives, the manager faces the question, "Who is really more important?"

We asked our respondents precisely that question by having them rate on a seven-point scale the importance of 16 different "organizational stakeholders." (The list came from previously published research and included commonly recognized important stakeholders in organizations.) The list included stockholders, customers, owners, managers, employees, co-workers, technical employees, white collar employees, craftsmen, my boss(es), my colleagues, my subordinates, myself, elected public officials, government bureaucrats and the general public. When managers rated these from "of little or no importance" (1) to "very important" (7), these were the results:

- The most important of the 16 was "myself," ranked first by supervisory and middle managers, those under 40, and those with a college education.
- Executives ranked "customers" as most important. (This was No. 2 for the lower-level managers.)
- Next in order for all managers, regardless of position, were: (1) "my subordinates," (2) "employees," (3) "my boss(es)," (4) "co-workers," and (5) "colleagues."
- Least important were "government bureaucrats" and "elected public officials."
- Others ranked low were "the general public" and "stockholders."

The pattern is quite clear. With the exception of customers (on whom a company is dependent), the important people in our lives are those who work with us in the organization.

Incidentally, when this exercise was given to managers several years ago, they were more reluctant to rank "myself" as No. 1. The "me generation" is now present and accounted for in the managerial ranks!

IMPLICATIONS FOR MANAGERS

1. Knowing that *integrity* is the most admired quality in subordinates, peers, and bosses, we can be encouraged to continually renew our efforts to let people know where we stand and make certain that our actions match our words.

2. The combination of *integrity* and *competence* in a manager is a powerful one. In the language of sociology, such a person has "referent" and "expert" power—the kind of power that changes attitudes, as well as behavior.

3. This is indeed an era of "teamwork." Our colleagues value us when we consistently demonstrate *cooperativeness.*

4. To regard oneself as important, and to say so out loud, should no longer shock us as being immodest or arrogant. Various surveys consistently report the prevalence of the "What's in it for me?" attitude. Our findings further emphasize the importance of knowing oneself and what one stands for.

5. What should we make of managers' low ranking of "the general public" on their scale of importance? Does this mean that the social responsibility of executives is indeed on the back burner—or is this too vague a concept to deal with?

6. The low ranking of elected public officials and government bureaucrats may also signal some difficulty. Every indication is that managers from the private and public sectors will be working together more closely in the future. This suggests the need for a better effort to increase understanding between those on either side of the public-private line. (Our own recent studies of full-time managers pursuing MBA and MPA degrees indicate that greater mutual understanding can be particularly useful since there are surprisingly few significant differences between managers practicing in the public sector and those practicing in the private sector.)

5

HOW MANAGERS BALANCE THEIR LIFE ROLES and RESPONSIBILITIES

The most important thing we can know about a man is what he takes for granted, and the most elemental and important facts about a society are those that are seldom debated and generally regarded as settled. . .

Louis Worth

Like every responsible human being, a manager must make daily choices on how to apportion time among a variety of demands, expectations, and personal desires. When does the job take priority over a family obligation? How can a manager hold a demanding position without becoming a workaholic? How much can such a person ask his or her family to sacrifice to career advancement? At what point does the individual say to the organization, "What you are asking of me is more than I am willing to give up?" These are some of the pivotal questions managers—and particularly executives—must ask themselves.

The responses to three questions on our survey helped give us a pretty good idea of how managers at different levels balance their lives:

- Would you give up attending an important function at home if it conflicted with an important job-related function?
- Would you move your family to a new location for a higher paying and/or more responsible job?
- Would you turn down a promotion or new job if you felt it would significantly change your present life style?

In addition, to get an overall feeling of the managers' priorities, we also asked them to indicate the source of their greatest satisfaction: "home life," "career," or "other interests."

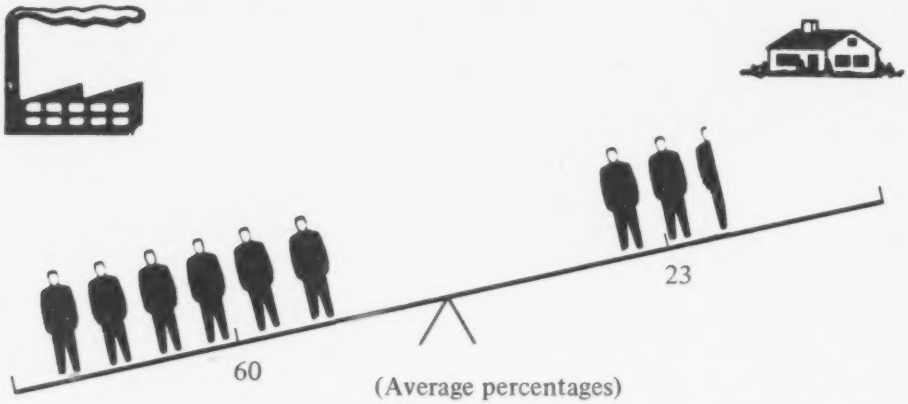
FAMILY VS. WORK

When confronted with a conflict between attending a job-related function and a function at home, a sizable majority of managers would give priority to the job. (See Exhibit 5.1.) While only 23.5 percent would attend the family affair, 60 percent would go to the company event. The remaining 16 percent were unsure of which they would choose.

Further, the tendency to give the job priority seems to increase as one moves up the corporate ladder. Executives are more likely to pass up the event at home; supervisory managers are some-

Exhibit 5.1. Balancing opportunities and responsibilities: home versus career.

Would you attend a job-related function rather than a home function?



	Yes or Probably	*No or Probably Not*
Executive managers	62	23
Middle managers	59	23
Supervisor managers	56	28

what less likely to do so. This could be interpreted to support the common belief that corporate advancement does indeed come at the expense of personal/family life. It could suggest that as *managers* in their organization, they have established clear career-family trade-offs. Or it could mean that as one grows older the demands at home are less critical. Finally, it might suggest that the type of person most likely to work at advancing in his or her company is also more likely to make the sacrifices necessary to achieve that end.

To shed some light on these possible interpretations, we asked two other questions:

- Does anxiety about your job frequently spill over into your home (personal) life?
- Do you believe that the demands of your work cause much of the stress in your home life?

Almost half of the supervisory managers said that job anxiety goes home with them, whereas only about one-third of the executives and middle managers acknowledge such intrusion. This same pattern holds in the responses to the second question: 47 percent of the executives, 50 percent of the middle managers, and 54 percent of the supervisory managers said that stress in their home life was caused by work demands. Another nationwide survey involving more than 26,000 women—most of whom were married and had children—reported that 70 percent felt that work pressures frequently or occasionally created a serious strain on their marriages.

The apparent tendency for stress to spill over into home life more often in the supervisory ranks leads us to wonder whether it's a question of the supervisors not yet having learned to deal effectively with work-related stress or a question of what a particular respondent con-

siders "intrusion." That is, an executive is probably more likely to accept some spillover of work anxiety into home life as one of the prices paid for an executive position—and therefore not to view it as an unwarranted intrusion. (However, others in the same family may view it differently.)

How executives' wives see it. . .

The *Wall Street Journal* recently surveyed the wives of top corporate executives. These 476 women represented 20 percent of the wives of the most senior executives in the 1,300 largest U.S. companies. The findings: "Seven of every 10 wives believed that the pressures on their husbands at work were greater now than in the days of middle-level management, and more than 60 percent believe these pressures often are reflected in the husband's mood and behavior at home." Two-thirds of these wives believed that their husband has had to make significant sacrifices in his personal and family life in order to be successful.

WILLINGNESS TO RELOCATE

Another possible home-job conflict occurs when a manager is offered a better job in a different city. Traditionally, a manager has been expected to be willing to pick up and move whenever an organizational opportunity like a promotion beckoned. Many organizations have planned executive careers to include a series of geographical moves accompanied by increased responsibility. These job rotations give the developing manager a chance to "see" the organization from various perspectives: a branch office, a regional office, and finally the corporate headquarters. The organization has taken for granted that both the manager and the family will be pleased to make the necessary moves to take advantage of this recognition and chance for advancement.

But willingness to relocate can no longer be taken for granted. Even giant companies like Sears and IBM, as well as the U.S. Army, are rethinking this "advancement-relocation" cycle as they find a growing number of managers unwilling to move. The high cost of housing, the growing number of dual-career couples/families, as well as changing values make such moves more controversial. "Why should I give up my job in favor of yours?" triggers marital disputes that were unheard of 20 years ago.

Working wives. . .

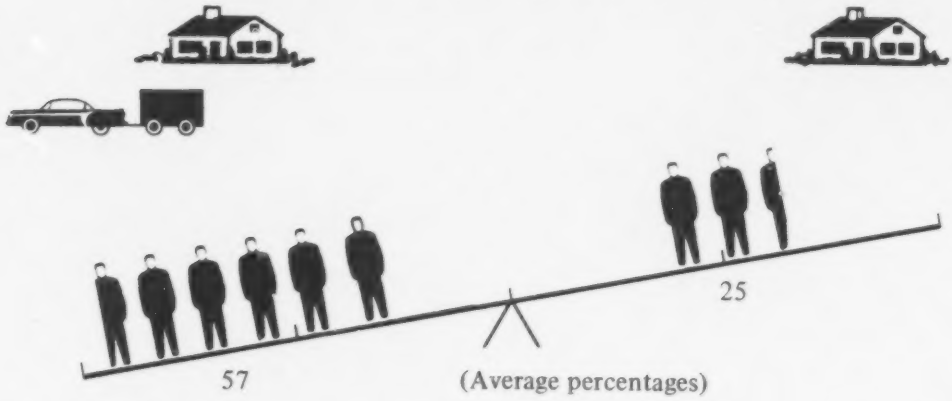
The Bureau of Labor Statistics reports that 58 percent of women working today are married and living with employed spouses. By 1990 this is expected to increase to 75 percent. In 1964 the U.S. Census Bureau reported that two-thirds of women with children were employed for "economic reasons"; only one-sixth for "personal satisfaction." In 1978 the Census Bureau found that all women age 18 to 35 would work even if the money was not needed. Other studies show that one of every three executives today can't or won't relocate because it interferes with the career or studies of his or her spouse.

When we asked the managers in our survey, "Would you move your family to a new location for a higher paying and/or more responsible job?", only a slight majority said "yes" (31 percent) or "probably yes" (26 percent). One in four responded "no" or "probably not." A substantial number were "not sure" (18 percent). The number of uncertain managers was highest in the beginning managerial ranks (28 percent). The younger managers (under 40) were, however, more willing to relocate than were the older managers. See Exhibit 5.2.

In our matched sample of male and female managers, a much higher percentage of females (59 percent) were willing to move than their male counterparts (48 percent). Men were twice as likely to respond with a definite "no" (12 percent versus 6 percent), and were more uncertain (29 percent versus 19 percent) about what they would do if taking a better job required a move.

Exhibit 5.2. Balancing opportunities and responsibilities: willingness to relocate.

Would you move your family for a better-paying or more responsible job?



	Yes or Probably	*No or Probably Not*
Executive managers	57	27
Middle managers	59	23
Supervisor managers	54	19

JOB VERSUS LIFE STYLE

"Life style" became a popular term in the 1960s for an array of personal preferences–dress, friends, type of housing or living arrangements, leisure activities, and so on. In a period when the old idea of "the good life" was called into question, young people in particular began to experiment with alternative life styles–and the work dimension of life became less central.

The managers in our survey reflect a high interest in maintaining their present life style. When asked, "Would you turn down a promotion or a new job if you felt it would significantly change your present life style?", today's managers are very nearly split down the middle: 41 percent say "yes" or "probably," 37 percent say "no" or "probably not," with the remaining 22 percent "not sure." This pattern of slight preference for life style over a better job holds for managers at all levels. See Exhibit 5.3.

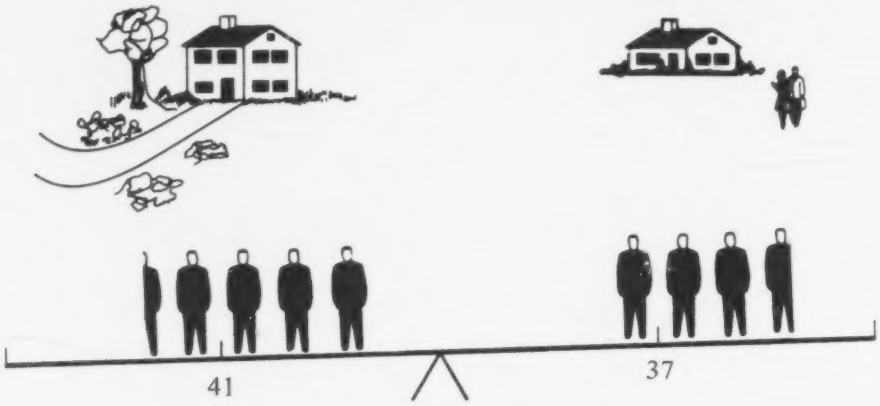
In our matched sample of male and female managers, the men were more definite in their preference for life style over job–23 percent said they would turn down the better job if it required a change in life style, compared with 9 percent of the women managers. Only 5 percent of the men said that they would definitely choose the better job, compared with 18 percent of their female counterparts.

THE MAJOR SOURCE OF SATISFACTION: CAREER OR HOME LIFE?

Although our respondents generally would turn down a job that entailed a change in life style, when we asked which area gave them the most

Exhibit 5.3. Balancing opportunities and responsibilities: career versus life style.

Would you turn down a better job if it changed your life style?



(Average percentages)

	Yes or Probably	*No or Probably Not*
Executive managers	43	37
Middle managers	40	37.5
Supervisor managers	39	35

satisfaction in life–home life, career, or other interests–48 percent chose career, 40 percent chose home life, and only 12 percent chose other interests. Executives in particular find their greatest satisfaction in their career (54 percent), whereas middle managers find their home life to be a somewhat greater source of satisfaction (46 percent vs. 43 percent for the career). Supervisory managers tended to favor careers over home life (46 percent vs. 37 percent), but a significant number (17 percent) selected "other interests" as their greatest source of satisfaction. See Exhibit 5.4.

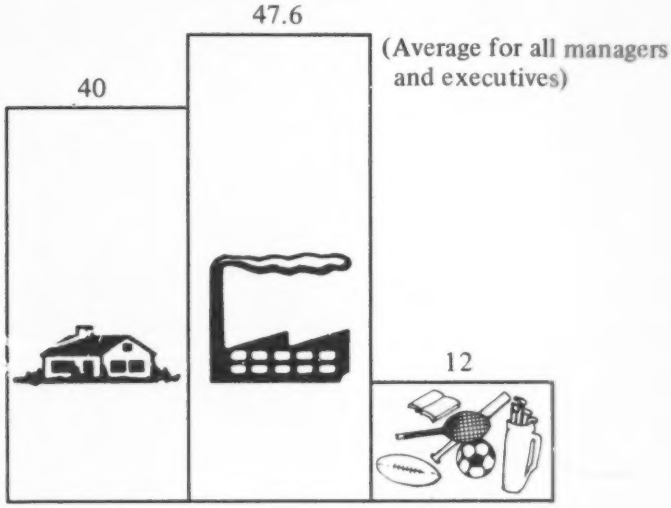
Comparison of Male and Female Managers

Some of our most intriguing findings came from comparing male and female managers on this subject. We found that by a two-to-one margin, female managers report greater satisfaction from their career than from their home life. Some 60 percent of the females chose career, compared with 37 percent of the males. In contrast, home life was chosen by 47 percent of the males versus 28 percent of the females. Given these results, it was not surprising to find more men than women reporting that anxieties about work affect their home life. (See Exhibit 5.5.)

This strong career orientation of women was apparent in a number of other comparisons with their male counterparts. Females are more willing to work long hours. They are more willing to accept a job promotion even if they have doubts about their ability to handle it. They are more willing to give up activities at home if work activities conflict. They are generally more confident that they will fulfill their life's ambition and that, compared with their peers, they

Exhibit 5.4. Source of most satisfaction in life.

Which provides you with the greatest satisfaction: home life, career, or other interests?



	Home	*Career*	*Other Interests*
Executive managers	38	54	8
Middle managers	46	43	11
Supervisor managers	37	46	17

have been successful. They are also more likely to feel that their values are compatible with those of their organization.

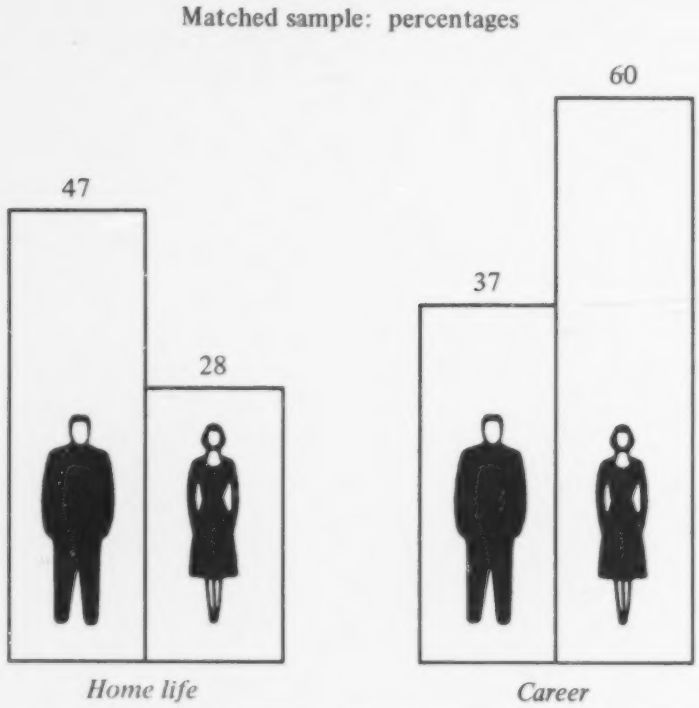
The women's general willingness to sacrifice personal interests seems to indicate two things. First, the women who are making the pioneering advances in corporate life–the women in our sample–are more prepared to sacrifice because, like true pioneers, they are ambitious and dedicated to their ideal (in this case, a fulfilling executive career). Second, the women in our sample for the most part *want* to work; the ones who feel home life is more important and satisfying have generally not chosen to pursue a career. Men, on the other hand, haven't been given much choice about work. They're raised in the belief that someday they'll be breadwinners, someday they'll support a family. So among the men's ranks we're much more likely to find respondents who, though they are successful and enjoy their job, nevertheless derive most *satisfaction* from their home life and other interests.

IMPLICATIONS OF THESE FINDINGS FOR MANAGERS

1. The widely discussed shift in American values from an emphasis on work to an emphasis on personal life has clearly affected the priorities of American managers. The requirements of the job are still taken seriously, but they do not automatically take priority over family responsibilities. This is particularly true of female and more highly educated managers.

2. There is growing resistance to geographic moves that may affect a family adversely–even

Exhibit 5.5. Source of most satisfaction in life: male and female managers.



if the move involves a more responsible or better-paying position. The growing number of dual-career couples makes moves increasingly difficult.

3. Work causes stress in the lives of many (almost half) of American managers. The vast majority of spouses insist that they must make personal sacrifices for their husband's or wife's company. We weren't surprised by this finding; it should serve to remind us that work-related stress is a problem deserving personal and organizational attention.

4. Female managers are more career-oriented than male managers. This suggests that company efforts to do better career planning and developing of female managers will be well received and could have a significant pay-off.

5. More careful and creative planning is needed to accommodate the needs of dual-career couples (for example, sabbaticals, paternity leaves, and so on). Personal policies based on the old assumptions of a single (male) breadwinner need to be reexamined in the light of changing family arrangements.

6

THE AMERICAN MANAGER: MYTH and REALITY

Whether they like it or not, managers are not private, in the sense that what they do does not matter. They are visible. . . . Managers are on the stage, with the spotlight on them.

Peter Drucker

Most of us have some idea about what kind of person becomes a supervisor, a manager, or an executive—just as we have ideas about what kind of person becomes a policeman, a professor, or a politician. Some of these beliefs are quite accurate, some are stereotypical notions slenderly connected to the real world. A nationwide survey, such as this, gives us a chance to check our beliefs against dependable data. In the process, we find some of our beliefs verified, others challenged. In either case, we end up with a more accurate picture of reality.

Here, then, are some commonly held notions about American managers, together with information on what the survey data imply about each idea. *Suggestion*: Read the "Common Beliefs" first and decide to what extent you agree with each statement. Then read what we have learned from the survey.

UNDERSTANDING THE AMERICAN MANAGER

Some Common Beliefs	What 1,460 Managers Tell Us
ABOUT ORGANIZATIONAL VALUES and PRIORITIES	
Managers rate *profitability* as the most important of all organizational goals.	*Profitability* ranks seventh—after *organizational effectiveness, high productivity, organizational leadership, high morale, organization reputation,* and *organizational efficiency.*

ABOUT ORGANIZATIONAL VALUES and PRIORITIES (Continued)

Managers regard stockholders as being more important to the organization than customers.	Not true! Customers are seen as being significantly more important than stockholders.
Managers believe that there is a strong pressure to conform to organizational standards.	True. More than 70 percent feel these pressures (and very few see these pressures diminishing).
Managers regard *service to the public* as one of the most important goals of an organization.	This may be an important goal for some–but it ranks behind 12 other organizational goals in the overall sample.
Managers at the supervisory level have very different value priorities than executives.	Managers at all levels–from supervisor to executive–have a fairly consistent set of values.

ABOUT WORK AND HOME

Most managers get more personal satisfaction from their career than from their home life.	Not true! Home life is a slightly greater source of personal satisfaction.
Most managers give a higher priority to their work responsibilities than to their family responsibilities.	This is generally true–unless the job requires a change in life style. Then the balance is almost even.
Most managers have jobs that prevent them from spending as much time as they'd like with family and friends.	For half of the managers this is true; for half it is not true.
Work causes a great deal of stress in the home life of most managers.	Almost an even split–with half feeling the stress and half not bothered.
Male managers are much more career oriented than female managers.	No! Exactly the opposite proves true when we compare male and female managers who have similar positions and backgrounds. The women are more career oriented than the men.

ABOUT BOSSES AND SUBORDINATES

Managers want their superiors to be, above all, thoughtful and helpful.	No! The most important quality of a good boss is *integrity*–followed closely by *competence.*
Managers want their subordinates to be, above all, loyal and cooperative.	No! Managers want subordinates to have (1) *integrity*, (2) *determination*, and (3) *competence.*

ABOUT PERSONAL VALUES

Ambition is No. 1 on most managers' list of "most desired personal qualities."	*Ambitious* rates well below *responsible, honest, capable, imaginative,* and *logical* as the most desirable personal quality.
Most managers are less clear about their personal values today than they were several years ago.	Not true. Most are much clearer about their values now than they were five years ago.

ABOUT PERSONAL VALUES (Continued)

The congruence between a manager's personal values and the values of the organization increases with age and higher rank.	This is true!

ABOUT ETHICAL AND UNETHICAL BEHAVIOR

Few managers would actually resign if they were asked to do something unethical by their boss.	Three out of four managers say they would resign rather than carry out an unethical order. (The lower levels feel more pressure to comply.)
Most managers believe that the moral climate of society is the major influence on unethical behavior at work.	Not true. Most believe that unethical behavior is largely dependent on the organizational climate—especially the actions of one's immediate boss.
When faced with an ethical problem, most managers go to a close friend or clergyman for guidance.	No. Most would discuss the problem with (1) their spouse, or (2) their boss.

ON THE FUTURE

Managers tend to be optimistic about future trends.	It all depends. They are mixed about economic, social and political trends, but optimistic about the future of themselves and their organizations.
Younger managers have very different views of social and political trends than older managers.	Age does *not* seem to affect managers' feelings of optimism or pessimism about these trends.
Most managers believe that the quality of life in America depends most heavily on technological advances.	No! Much more important would be a return to basic values emphasizing individual initiative and responsibility.
Managers feel that trends in human affairs are pretty much out of control.	Most feel that although human affairs are complex, they *can* be influenced by determined organizations and people.

For the most part, the respondents seem to be people who have sorted out their priorities fairly well and who feel at ease with the organizations they serve. They take their organizational responsibilities seriously—giving priority to organizational needs until job requirements begin to intrude on their life style. They tend to be optimistic, both about their chances of living fulfilled lives and their ability to make some impact on societal trends. They describe themselves as being concerned about ethics—even to the extent of quitting their jobs rather than carrying out unethical orders. Their high regard for integrity shows up in a number of places, as does their respect for competence.

THE BOTTOM LINE: HOW VALUES IMPACT LEADERSHIP EFFECTIVENESS

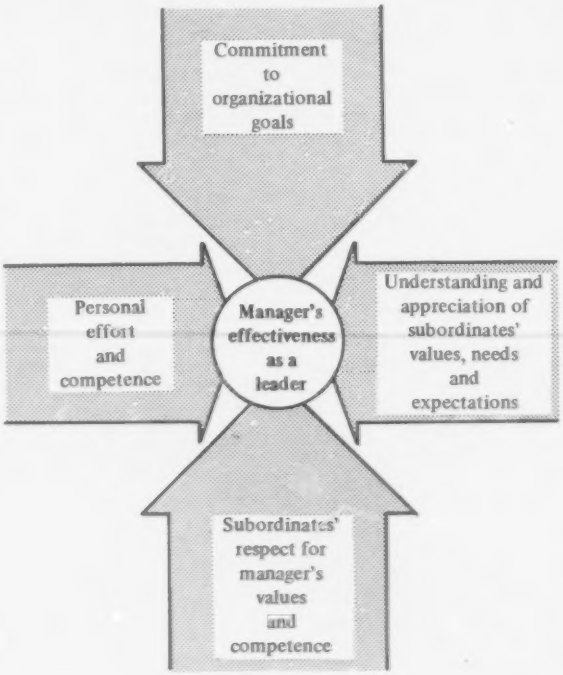
The ultimate test of a manager's effectiveness is his or her ability to influence subordinates: to give leadership to a group, a department, a division, or an entire organization. Most of the current literature on management leadership deals

with managerial *style* and emphasizes the importance of choosing a pattern of leadership that fits the situation and the subordinate group, as well as the personality of the manager.

On the basis of our observations of managers in many situations, as well as the understandings we gained from this survey, we would like to contribute some new dimensions to the dialogue about managerial leadership. We believe that *values* play a key role in determining how willingly and enthusiastically subordinates carry out the wishes and directives of their boss. Exhibit 6.1 suggests how this process might work by highlighting four value-driven influences on a manager's effectiveness as a leader:

1. The manager's commitment to organizational goals.
2. The manager's understanding and appreciation of the subordinates' values, needs, and expectations.
3. The subordinates' respect for the manager's values and competence.
4. The manager's personal effort and competence.

Exhibit 6.1. Value-driven influences on a manager's leadership effectiveness.



Here is our rationale for each of the dimensions:

1. *The manager's commitment to the organization's goals* depends to a great extent on the clarity of those goals and the extent to which they are congruent with the manager's values. Where such a congruency exists, the manager is more likely to give full energy to his or her work and to do a consistently good job of interpreting organizational goals to the subordinates.

2. *The manager's understanding and appreciation of subordinates' values, needs, and expectations* enables the manager to communicate more effectively with those he or she supervises. Knowing the subordinates' personal priorities helps in determining what kind of rewards make sense. Knowing the subordinates' values gives the manager guidance on how to interpret organizational goals so that they are most attractive.

3. *The subordinates' respect for the manager's values and competence* is related to that elusive leadership quality called "charisma." Most of us follow more readily one whose values we share and who has demonstrated competence. Our survey has pointed up the importance attached to *integrity* and *competence* by managers at all levels. We believe that these two qualities are similarly admired by nonmanagement personnel (and we will be checking this in future research).

4. *The manager's personal effort and competence* will be strongly influenced, we believe, by the extent that he or she can identify wholeheartedly with the goals of the organization. Few things are more energizing than the feeling

that the organization you work for is making an important contribution to society—and is successful! When our values are being expressed in the work we do, our chances of feeling both competent and fulfilled are significantly enhanced. (Our survey indicated that a high percentage of managers seem to have this feeling.)

MORE TO COME

In a report to be published by the AMA early in 1983 we will explore many of the external issues facing managers and analyze more fully their approaches to specific ethical problems. We also will report in greater detail on the similarities and differences between different age groups, between male and female managers, and between American and European managers. The next report will also deal with the major influences on managers' values—the heroes they identify with, the mottoes they use for guidance, and what they believe to be the ultimate key to their personal sense of fulfillment.

As a result of doing this survey, we are also developing a Personal Values Profile Inventory to help individual managers see their values in a fresh perspective. As a further effort to put managerial values in perspective, we have undertaken an extensive survey of managers in the *public* sector. That research is intended to provide a fuller understanding of the similarities and differences between those who give leadership to private businesses and those who hold key positions in governmental agencies. Such understanding, we believe, is essential for improving relationships between these two key groups of American managers.

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